

REPORT OF THE COMMITTEE OF INQUIRY TO REVIEW THE PAY AND CONDITIONS OF EMPLOYMENT OF THE DRIVERS AND CONDUCTORS OF THE LONDON TRANSPORT BOARD'S ROAD SERVICES.

INTRODUCTORY

1. We were appointed jointly by the Minister of Labour and the Minister of Transport on 20th November, 1963 with the following terms of reference:—

“ To review the pay and conditions of employment of the drivers and conductors of the London Transport Board's road services in the light of the Board's manpower requirements for those services, the Board's statutory responsibilities, the working and operating conditions in London traffic, and the likely repercussions of any changes on other employments paying due regard to the possibilities of increasing the efficiency of London Transport's road services and to the considerations affecting national economic growth ; and to report.”

2. We have held meetings on 24 days. At the outset of our inquiry we invited evidence from all bodies and persons who might wish to give it. We have heard oral evidence in public from the following organisations and persons:—

London Transport Board

Transport and General Workers Union

Transport Users Consultative Committee for London

Mr. J. T. Duff, Head of the London Traffic Management Unit,
Ministry of Transport.

Dr. R. J. Smeed, Deputy Director of the Road Research Laboratory.

Mr. Dudley Smith, M.P.

Mr. A. G. Way, Assistant Commissioner in charge of the Traffic
Department, Metropolitan Police.

We have also considered written evidence submitted by persons and organisations. The organisations which submitted evidence to us are listed in Appendix 1.

3. At the start of our inquiry it became clear that careful examination of a number of the issues referred to us would take time and in view of the statement made by the Minister of Labour in Parliament that he and the Minister of Transport wished the Committee to complete its inquiries as soon as the scope of their remit allowed we decided to produce an interim report. Our Interim Report of 12th December, 1963 was published on 16th December. We recommended that the Board and Union should negotiate increases in the rates of pay of London Transport drivers and conductors as an interim measure. We stated that the recommendation could be made without prejudice to the consideration of issues within our terms of reference which we were going on to examine.

4. We have now completed our consideration of all the issues within our terms of reference. We have attempted to make this report complete in itself and therefore have included some of the facts and considerations which were set out in the interim Report. We take this opportunity of calling attention to some amendments of that Report, listed in our present Appendix 2. Our terms of reference have required us to review the pay and conditions of employment of London busmen in a setting of problems and prospects. In Part I of our present Report we depict what seem to us the salient features of that setting. In the light of these features we go on in Part II to review pay and conditions.

PART I

THE LONDON BUS SERVICE: PROBLEMS AND PROSPECTS

The London Transport Board

5. The London Passenger Transport Board which was set up in 1933 disappeared when the Transport Act 1947 came into effect. Its principal duties with its assets and liabilities were then inherited by the British Transport Commission. But the Act provided for the establishment of Executives to assist the Commission, and the London Transport Executive was appointed for this purpose as regards the responsibilities inherited from the London Passenger Transport Board. The Act also provided that the legal employer of the staff engaged in a part of the Commission's undertaking for which immediate responsibility was so devolved should be the Executive concerned and not the Commission. The Transport Act 1962 vested the Commission's undertaking, in effect, in five separate and independent statutory undertakings as from 1st January, 1963. One of these was the London Transport Board, which is the lineal descendant of the London Passenger Transport Board.

6. The London Transport Board, to which the Act refers for brevity as the "London Board", consists of a Chairman, Vice-Chairman and not more than nine nor less than four other members. They are all required to be appointed by the Minister of Transport from among persons who appear to him to have had wide experience of, and to have shown capacity in urban transport, industrial, commercial or financial matters, administration, applied science, or the organisation of workers. The London Board at present consists of the Chairman, the Vice-Chairman, two full-time members and three part-time members.

7. The scale of the London Board's undertaking can be judged from the figures published in the last annual report of the London Transport Executive, "London Transport in 1962". The balance sheet showed gross fixed assets before depreciation of over £230 million out of which some £59 million was attributable to the road services and £151 million to the railways. The number of road vehicles in use included over 8,000 buses of different types, the largest bus fleet of any urban transport system in the world. Gross receipts for the year 1962 were nearly £93 million, to which the road passenger services contributed £62 million. Staff employed by the undertaking numbered almost 76,000 at the end of 1962, of whom about 37,000 were engaged on the operating side of the Board's road

passenger undertaking, 34,000 of these being drivers and conductors. The remainder of the staff were employed mainly in railway operations, road and rail workshops, administrative, clerical and technical duties, and electrical engineering. (London Transport generate the greater part of their own electric power requirements.) The working results of the Board's road passenger services are given in Appendix 5.

8. The obligations of the London Board are to provide an adequate service to the public, and to conduct their business on a proper financial footing. The relevant sections of the Act are set out in Appendix 3. We shall discuss the details and implications of these obligations more fully later.

9. The Board is given power by the Act to carry passengers by rail and road inside the London Passenger Transport Area. In certain circumstances it is also empowered to carry passengers by road outside that area. But its duty to provide services relates only to the Area. "The London Passenger Transport Area" is a legally defined area extending to points as far from London as Guildford, Windsor, Tring, Luton, Baldock, Bishops Stortford, Brentwood, Gravesend, Sevenoaks, East Grinstead and Horsham.

10. The Government's White Paper "The Financial Obligations of the Nationalised Industries" (Cmd. 1337, April 1961) is also relevant to the financial duties of the Board. In pursuance of the policy set out in this White Paper, the Board and the Minister of Transport have agreed that the Board should aim at an average balance of revenue of £4 million a year, after charging depreciation at historic cost and meeting interest charges, over the five years 1963-7. This average annual amount would be used to help finance replacements at current prices and to make some contribution towards the cost of renewing or improving equipment in modern form.

11. The Board's receipts are derived principally from fares. To increase these it has to apply to the Transport Tribunal, which has authority in the matter of the passenger fares charged both by London Transport and by British Railways in the London area. The Tribunal lays down maximum fares. Subject to this ceiling, the Board is free to charge what it pleases. As applications for fares increases are normally opposed, and proceedings therefore inevitably take time, the Act allows the Board, if its financial position is seriously threatened, to increase its revenue from fares by up to 10 per cent., but there is a time limit within which it must apply to the Tribunal for ratification.

Industrial Relations

12. The drivers and conductors of the London Board's road services are required to belong to the Transport and General Workers' Union. This is a result of difficulties which arose in 1946 from the activities of the National Passenger Workers' Union. The Board at that time decided that the situation was prejudicial to their efforts to provide the public with an efficient service. Upon the understanding, firstly that the General Executive Council of the Transport and General Workers' Union recognised the necessity for the

Board to be able to rely on the observance of collective agreements and the full co-operation of the staff, and secondly that opportunity would be given to all non-members of the Transport and General Workers' Union to join, the Board decided not to continue in their service any driver or conductor who was unwilling to join.

13. Over the years a comprehensive negotiating and consultative machinery for the bus crews has been evolved between the Board and the Union. Applications for the amendment or cancellation of agreements in respect of major matters affecting pay and conditions of service may be made only on the authority of the General Executive Council of the Union and/or by the Board. Such applications are considered at a meeting between the parties. The Board is represented by the Board Member responsible for road service operation, by the Operating Managers, by the Chief Labour Relations Officer, and such other officers of the Board as may be considered necessary. The Union are represented by the London Busmen's Negotiating Committee, which normally comprises the National Secretary and the National Officer of the Passenger Services Group of the Union, the Secretary and Assistant Secretary of the Passenger Services Group of the No. 1 Region of the Union (which includes London) and the Section Secretary for the Country bus services of the Board, together with some ten lay members from among the drivers and conductors. One of the lay members is Chairman of the Negotiating Committee. The General Secretary and/or the Assistant General Secretary of the Union can also be present as a member of the Negotiating Committee if the Union so desires. When an agreement is reached at these meetings, the Negotiating Committee normally refers it to a delegate conference comprising some 100 representatives from all the London bus garages. This conference may accept or reject recommendations made by the Negotiating Committee, or may refer them to branches for decision. There is no provision for arbitration, though this does not, of course, preclude such reference if the parties are willing.

The growth of the problem

14. In essence the problem of London Transport is one of a public service which is required by statute to pay its way, but at the same time to provide an "adequate" service ("adequate" remaining undefined). The task of reconciling these two requirements has been complicated by social and economic changes in which the two main factors are the growth of competition from personal transport and the growth of competition for labour in the London area. To attract the necessary staff, London Transport have had to improve pay and conditions. The extent to which they can thus increase their operating costs and still fulfil their financial duty without cutting services or raising their charges is limited by the extent to which they can increase operating efficiency or attract additional custom. But the additional custom has been lacking; demand for public transport has become more and more concentrated into short peak periods; and it has so far proved impossible to absorb all increased costs by increased efficiency. Fares have had to rise, even if no more than the general price level, and any rise in fares relatively to the cost of private motoring will have promoted the drift from public to private transport. Limited thus as to the receipts they can bring in, London Transport have found it difficult to pay the wages necessary to recruit and retain their staff. The resultant staff shortages

have led to gaps in the services and these have in turn decreased the relative attractiveness of public as opposed to personal transport. It is circumstances such as these that have stimulated the use of the private car which in turn becomes a claimant on the all too limited road space of London and makes it more difficult for the buses to keep to schedule. In more than one way there has been a vicious spiral of difficulties in operation causing loss of passengers, and loss of passengers causing difficulties in operation.

The changing patterns of traffic

15. About one-fifth of the population of Great Britain and roughly one-fifth of the registered vehicles are in the area served by London buses. These vehicles and people are thus concentrated in about 2 per cent. of the total area of the country, and have to travel on about 7 per cent. of the country's total road mileage. If current trends continue the number of cars in Greater London, at present over 1 million, will reach 2 millions by 1970.

16. The present figures for vehicle concentration in Central London are the result of the rapid recent increase illustrated by the following tables.

TABLE I
MEASURES OF THE GROWTH OF TRAFFIC IN LONDON

A. *Estimated number of vehicles per mile of road⁽¹⁾ in Central London⁽²⁾ (excluding parked vehicles)*

	1954	1956	1958	1960	1961	1962
	135	144	164	174	164	169

Source: Ministry of Transport

B. *Motor vehicles passing a point in Grosvenor Road (west bound) in 24 hours*

	1956	1957	1958	1959	1960	1961	1962
Number ...	3,952	3,828	4,315	4,783	5,168	54,82	5,619
1956=100 ...	100	97	109	121	131	139	142

Source: Road Research Laboratory

C. *Number of car licences current: Greater London⁽³⁾*

	1962	1962
	449,550	1,151,000

Source: Road Motor Vehicles, Ministry of Transport

D. *Vehicles (excluding pedal cycles) passing each census point 8 a.m. to 8 p.m.*

		Number in		Percentage increase	
		1962		Since 1960	Since 1952
Central Area ⁽⁴⁾ :	private cars	...	17,660	5	91
	other	...	22,010	2	21
Inner Suburbs ⁽⁵⁾ :	private cars	...	17,090	6	107
	other	...	15,570	-1	26
Outer Suburbs ⁽⁶⁾ :	private cars	...	18,490	18*	129
	other	...	12,900	8	40

Source: Metropolitan Police Traffic Census

(1) The figures quoted for the estimated number of vehicles per mile of road relate to the average number to be found on a mile length of road between the hours of 9.30 a.m. and 5 p.m. on Mondays to Fridays. They were obtained by on-the-spot observations of vehicle flow and speed in the area.

(2) Central London here comprises the area bounded on the east by Tower Bridge Road (north-eastern extremity at Shoreditch Church), on the west by the East Carriage Drive, on the south by a line drawn from Victoria via Vauxhall Bridge, the Oval and the Elephant and Castle to Tower Bridge, and on the north by Marylebone Road.

(3) Greater London here is roughly equivalent to the Metropolitan Police Area.

(4) Area bounded roughly by Euston Road-Whitechapel High Street-Elephant and Castle-Kingsbridge.

(5) Outside Central area but within 4½ miles of Charing Cross.

(6) Outside Inner Suburbs but within about 15 miles of Charing Cross.

17. On the average day about 300,000 vehicles come into the London Traffic Area on about 117 classified roads. But the chief problem is associated with peak traffic. About 140,000 vehicles, carrying more than 350,000 people, enter the central area between 7 and 10 a.m. on an average day. About 80,000 of these are private cars carrying, on average, about $1\frac{1}{2}$ persons.

18. In the five years, mid-1957 to mid-1962, the number of passenger-carrying road vehicles coming into Central London* during the morning peak-period increased by nearly two-fifths. There were 1,000 fewer buses, but in their place were about 18,000 extra private cars and 9,000 more motor cycles or scooters. Despite these additional vehicles 13,000 (or 4 per cent.) fewer people were brought by road into Central London. Private transport indeed carried 34,000 more. But bus passengers dropped by 47,000 over the five years from 74 per cent. of the total to only 63 per cent.

19. Passenger movement on the roads in the peak is not confined to the "tidal flow" into and out of the central area. More passengers have been coming in by rail (see next paragraph) and these add to the demand for road transport to and from the stations within the central area.

20. While the total number of passengers entering Central London mainly in each morning's tidal flow increased by 12 per cent. between 1952 and 1962, most of the increase has been carried by the Board's underground and British Railways suburban services. The number carried by bus diminished by 25 per cent.—see Table II below.

TABLE II
DISTRIBUTION OF PASSENGER TRAFFIC INTO CENTRAL LONDON† IN MORNING PEAK PERIOD
(7.0 A.M. TO 10.0 A.M.)
1952 AND 1962

	1952		1962		Per cent. of 1952
	Thousands	Percentage of total	Thousands	Percentage of total	
Road Services ...	286	25.9	215	17.4	75
Underground‡ ...	367	33.3	427	34.5	116
British Railways ...	382	34.6	473	38.2	124
Total public transport	1,035	93.8	1,115	90.1	108
Private transport§ ...	69	6.2	123	9.9	178
Total Rail ...	749	67.8	900	72.7	120
Total Road ...	355	32.2	338	27.3	95
Total ...	1,104	100.0	1,238	100.0	112

Source: London Transport Board

* Central London here means the area bounded by a line drawn from Vauxhall Bridge to Knightsbridge, Hyde Park Corner, Marble Arch, Marylebone Road, Euston Road and Tower Bridge.

† Defined as Central Area as in Table I(D).

‡ Excluding 96,000 (1952) and 118,000 (1962) passengers who started their journeys on British Railways.

§ Including cars, motor cycles, scooters and pedal cycles.

Causes of the changing traffic pattern

21. Since the War there have been great changes not only in the amount of traffic on the roads in the London area, but in the pattern in which it is distributed between different routes, hours of the day and days of the week. These changes have been due in part to population movements. While there has been a general influx into South East England, leading to a larger total population in the London Transport area, there has at the same time been a reduction of the population resident in the older inner areas and an increase in the outer suburbs and within and beyond the Green Belt. This has contrasted with the increase at the same time in the numbers employed—mainly in offices—in Central London. The effect has been an increased "tidal flow" of workers into and out of Central London in the peak hours.

22. By 1963 the population of the London Transport area had increased to 10,200,000. The population distribution and trend in the London Transport area is shown in Table III.

23. Between 1953 and 1963, the population of Greater London fell by 160,000 while that of the outer country area increased by over 500,000, resulting in a net increase in the population of the London Transport area as a whole of 350,000. This outward shift in the balance of the London population has influenced, and will continue to influence, the distribution of traffic carried by the road services, the Underground and British Railways. The contrast between the fall in the population of the County of London and the rise in that of the Outer Country area, together with the increase in employment in Central London, point to a rise in the average length of the daily journey, and the relative growth of the kind of journey for which the rail is best suited.

24. The changes in the distribution of employment meanwhile, as Table III shows, have been very different from those of the resident population, and the disparity has set up an increased requirement for transport to and from work. We would emphasise the effect on peak hour congestion of increasing numbers, even within a given population, having to travel longer distances between home and workplace. We believe this trend is continuing.

25. Outside Central London in recent years there has been the growth of office building in the suburbs as part of the Government's policy to encourage the decentralisation of office employment. Whilst this policy is intended to prevent a growth of peak travel into the centre of London, it gives rise to a demand for cross travel in the suburbs which has to be met mainly by buses and cars, as the principal railway and underground lines radiate from the centre. There has also since the War been an increase of shopping in the regional service centres, e.g., Croydon and Watford, affecting the demand for transport.

26. The outward movement of population from the older parts of inner London to the outer suburbs and beyond has been accompanied by an increase of manufacturing industry which gives rise to new demands for bus travel in the outer parts of the Board's area. Whilst the transport problems in the suburbs associated with the older concentrations of

TABLE III
RESIDENT POPULATION AND EMPLOYMENT IN LONDON, 1953-63

	Central London ⁽¹⁾	Rest of Greater London	Total Greater London	Outer Country Area	Total of London Transport Area
Numbers in 1963 (thousands)					
Resident population ...	267	7,906	8,173	2,027	10,200
Number employed ...	1,510	3,233	4,743	..	..
Number employed in area as ratio of resident population of area—					
1953	4.41	0.37	0.52	..	..
1963	5.66	0.41	0.58	..	..
Changes from 1953 to 1963					
In resident population—					
thousands ...	-42	-120	-162	+509	+347
per cent. ...	-13.6	-1.5	-1.9	+33.5	+3.5
In number employed—					
thousands ...	+148	+274	+422	..	..
per cent. ...	+10.9	+9.3	+9.8	..	..

Source: London Transport Board.

(¹) Central London: the "Greater London Conurbation Centre" as defined in London County Report of Census 1961.

Employment data for Central London are London County Council and London Transport Board estimates.

industry remain, e.g., at Park Royal and Charlton, further problems have arisen as a result of new centres of employment such as at London Airport.

27. To these factors we must add the changing pattern of the working week and changes in the social habits of the population. The spread of the five-day working week in industry means that fewer early morning work journeys are now required on Saturday, though more people are coming in to shop on Saturday mornings. Travel at the week-end is increasingly diverted to the family car. Particularly on Sunday morning the demand for public transport is very small. Another influence has been the increasing importance of television, displacing the evening visits to the cinema. The extent to which the pattern of public use of bus transport in London has changed in the last decade can be seen from Table IV. The change has been particularly marked since 1956. On Monday to Friday total passenger journeys in 1962 were 20 per cent. less than they were in 1956. On Saturdays they were 29 per cent. less. On Sundays they were 33 per cent. less. In 1963 the downward trends have continued, but even more markedly on Saturdays and Sundays than on Mondays to Fridays. On Monday to Friday the peak periods have tended to become sharper and the late evening passenger demand has diminished rapidly. Over the five-day working week, Monday is tending to be the lightest day and Friday the heaviest. Table V shows that the number of hours worked in the peak rose substantially as a proportion of all hours worked by Central buses, between 1953 and 1962.

TABLE IV
VEHICLE MILES RUN AND PASSENGERS CARRIED: CENTRAL SERVICES⁽¹⁾

	1952	1960	1961	1962	Percentage Change		
					1952 to 1962	1960 to 1962	1961 to 1962
<i>Vehicle miles run (million)</i>							
Monday to Friday ...	262.6	189.8	192.4	192.4	-26.7	+1.4	—
Saturday ...	54.8	39.5	39.5	39.4	-28.1	-0.2	-0.2
Sunday ...	37.3	25.7	25.5	24.3	-34.9	-5.4	-4.7
Total ...	354.7	255.0	257.4	256.1	-27.8	-10.4	-0.5
<i>Passengers carried (million)</i>							
Monday to Friday ...	2,495.4	1,749.0	1,709.3	1,699.9	-31.9	-2.8	-0.5
Saturday ...	579.9	380.7	360.6	349.5	-39.7	-8.2	-3.1
Sunday ...	289.3	174.8	171.3	161.0	-44.3	-7.9	-6.0
Total ...	3,364.6	2,304.5	2,241.2	2,210.4	-34.3	-4.1	-1.4

Source: London Transport Board.

(1) including trams and trolley buses when operated.

TABLE V

PROPORTION OF PEAK TO TOTAL BUS HOURS, CENTRAL BUSES, MONDAY TO FRIDAY

(The periods from 7.30 a.m. to 9.30 a.m. and from 4.30 p.m. to 6.30 p.m. are regarded as the peak hours, i.e. a total of 4 hours out of the working day.)

	Percentage of total bus hours operated during peak periods			
Summer 1953	29.8
Winter 1953	29.9
Summer 1960	31.9
Winter 1960	32.0
Summer 1961	32.1
Winter 1961	32.3
Summer 1962	32.4
Winter 1962	32.5
Summer 1963	32.5
Winter 1963	32.5

Source: London Transport Board.

28. The pattern of traffic available to the buses has also been, and continues to be, affected by trends in town and highway planning. The trend to lower residential densities than those of inner London means that the bus has to travel a greater distance to pick up a given number of passengers. The growing tendency, for reasons of safety, to divorce frontage development from main traffic roads separates the routes along which the buses should run from the points of origin of passenger traffic. Pedestrian shopping precincts increase the average distance between the bus stop and the shop door. Formerly the dense inner development of cities with main radial routes on to which residential streets joined like a herringbone provided ideal conditions for bus operating; but most trends in town and highway planning are away from this layout. Again, although improved

traffic management methods make bus operation easier on balance, in some instances they increase bus mileage and make it more difficult for the buses to carry their passengers to their required destinations.

The effects on traffic flow

29. The Road Research Laboratory take measurements of the speed of traffic over about 40 miles of road in Central London. The speeds recorded are shown in Table VI below, which also shows the change in traffic densities. These overall figures should be compared with similar figures for the peak hours also shown in the table. It will be seen that traffic density has increased much more in the peak than overall.

TABLE VI
AVERAGE TRAFFIC SPEEDS AND TRAFFIC DENSITY IN CENTRAL LONDON

	All day		Peak periods	
	Average speed m.p.h.	Index of traffic density 1952=100	Average speed m.p.h.	Index of traffic density 1952=100
1952	11.1	100	10.9	100
1954	10.8	105	9.9	109
1956	10.3	107	9.1	114
1958	10.0	115	8.3	123
1960	9.7	118	8.6	137
1961	10.6	124	Not recorded	
1962	10.3	124	9.5	147

Source: Road Research Laboratory.

30. What is remarkable here is the contrast between the rise in traffic density and the comparative maintenance of speed. Since 1960 the speed of traffic has ceased to fall. The Deputy Director of the Road Research Laboratory (Traffic and Safety Division) attributed this last effect to improvements in traffic management. In their report for 1962, London Transport attribute the slight drop in passengers carried on their railways, which was confined to passengers travelling at ordinary fares, mainly to the transfer of some traffic back to the buses as a result of improved traffic conditions in Central London. The improvements in traffic management methods have included one-way working, roundabout systems, linking of traffic lights and other engineering techniques; together with the introduction and extension of parking meters and the concentrated control exercised by the Metropolitan and City police. Some of the major one-way schemes have resulted in reductions of up to 70 per cent. in journey time during peak hours and 60 per cent. in off-peak, despite a fairly considerable increase in the distance which vehicles have been made to travel. In addition the variation in journey time has been substantially reduced, and this is of particular importance to buses. A most welcome side effect has been the reduction of all injury accidents by some 19 per cent. and pedestrian accidents by some 36 per cent. One other effect, however, of the improvements in the Central area has been some displacement of congestion to the inner suburbs as the number of vehicles parked there has risen.

31. These improvements no doubt constitute a reason why the average scheduled speeds of the Central buses on weekdays have risen, rather than fallen, over the last fifteen years, as shown by Table VII. It will be remembered that the Central buses cover a wider area than that to which the previous Table refers.

TABLE VII

CENTRAL BUSES : AVERAGED SCHEDULED MILES PER HOUR OVER ALL DUTIES

<i>Year</i>		<i>Monday-Friday</i>	<i>Saturday</i>	<i>Sunday</i>
1948	... ..	9.04	9.36	9.84
1955	... ..	9.18	9.44	9.86
1957	... ..	9.23	9.47	9.90
1963		9.24	9.45	9.76

Source: London Transport Board

Lost mileage

32. The actual mileage lost by the Central buses as a result of traffic congestion (i.e. by having to turn buses short of their destinations in order to keep the schedule operating) was on the average of 1959-62 rather less than $2\frac{1}{4}$ million miles a year or under 1 per cent. of the mileage operated. We shall see (paragraph 39) that this was much less than the mileage lost through staff shortages in the same years. It represents, however, a loss of service in the hours of greatest demand.

The cost of peaked services

33. Highly peaked services are expensive to operate. The annual cost of a single additional daily journey at the height of the peak, requiring one additional bus and one additional crew, is approximately £4,000 p.a. The high comparative cost of the peak can be illustrated further by the number of Central buses used on Monday to Friday compared with that on Saturdays. On Monday to Friday only 3 per cent. more mileage is operated but 16 per cent. more buses are used, because so many buses must be on the road at the same time in the peak hours. Peaked services also raise crew costs because they make it difficult to occupy crews continuously, and periods of waiting (other than the normal meal breaks) between a first and second spell of duty must be paid for.

Fares

34. The general rise in costs through the years since the war has been accompanied by rises in fares; but the greater those rises, the less competitive will the bus service have been with the private car. In fact fares have risen by degrees from the simple and general rule of a penny a mile before the war, to threepence a mile at least for the shorter distances in 1963. The average charge per mile was lower in both periods, in the first because of various concessionary fares, in the second mainly because the standard fare was less than threepence a mile for journeys of 8 miles and more; but the rise of the average charge has also been about threefold. This threefold rise is very closely the same as that of the cost of living over the same span. It is less than the rise meanwhile in the money incomes

the people generally have available for spending after paying tax: in the country as a whole these have become at least 3·8 times as big as before the war. It seems clear that at the fares and income levels of 1963 the Londoner could buy more miles of travel by bus with the net proceeds of an hour's work than he could before the war. But the ability of the bus service to compete with the private car will have depended more closely on the relative movement of bus fares and the cost of motoring, and in recent years it has been the rise in bus fares that has been the greater. At all times, moreover, the bus fare has had to cover the full costs, whereas the commuter who already owns a car is likely to take into account only the running costs of the journey.

Shortages of drivers and conductors

35. A major factor in the difficulty of maintaining the bus service has been the persistent shortages of busmen since 1952. In Part II, when we are considering the pay and conditions of employment of the busmen, we shall ask how far these factors may have been bound up with the shortage. Here we record the facts of shortage and wastage, and the difficulties of recruitment.

36. Over the last ten years the establishment—that is the number of places that the Board from time to time seeks to fill (see Table XV)—has been reduced by about a quarter. Yet meanwhile it has never been filled. Table VIII indicates the extent of the shortages. They have been worse for drivers than conductors, and for the Central than the Country services. For the Central drivers they have been particularly acute.

TABLE VIII
STAFF SHORTAGES

Figures in *italics* show the shortage as a percentage of establishment

	Central Buses				Country Buses and Coaches				Total
	Drivers		Conductors		Drivers		Conductors		
January									
1954 ...	400	2·0	623	3·1	98	3·2	107	3·7	1,228
1955 ...	1,242	6·4	1,565	8·1	190	6·2	186	6·3	3,183
1956 ...	1,551	8·5	1,284	7·0	169	5·6	102	3·5	3,106
1957 ...	697	3·9	721	4·0	56	1·8	104	3·6	1,578
1958 ...	1,281	7·0	905	4·9	151	4·8	121	4·2	2,458
1959 ...	521	3·3	727	4·5	107	3·6	81	3·1	1,436
1960 ...	1,668	9·6	1,596	9·1	242	8·0	195	7·4	3,701
1961 ...	2,268	14·2	1,804	11·2	240	8·0	170	6·5	4,482
1962 ...	1,437	9·2	1,158	7·4	244	8·0	181	6·8	3,020
1963 ...	1,462	9·4	981	6·3	125	4·3	60	2·4	2,628
November									
1963 ...	1,808	11·9	1,095	7·2	248	8·5	130	5·1	3,281

Source: London Transport Board

37. A main cause of the difficulty in filling the establishment has been a high rate of wastage of existing staff—see Table XV below. From 1954 onwards the wastage of Central busmen has been of the order of 6,000 a year, or one in five of the establishment. This is a high rate of turnover for a public service where special qualifications and training are required, and long-term employment has been normal in the past. The kind of job to which leavers went off is indicated by one sample of 243 leavers whose next prospective employer was known: well over half went into five types of employment—the General Post Office, light engineering and factory work, other road passenger transport, retailing and milk distribution. A high rate of turnover has meant much short-term employment: in one block of resignations about 40 per cent. of both the drivers and the conductors were leaving after less than two years' service. This means a high cost of training. In 1963 the cost of training (including uniforms) for drivers and conductors was about £500,000; the Board has estimated that if the number of voluntary resignations among drivers and conductors had been halved in that year, and the remaining wastage had been fully replaced by trainees, the cost of training would have been reduced by some £200,000.

38. The Board has attempted to remedy the staff shortage by recruitment campaigns at home and overseas, but it has been unable to attract a sufficient number of recruits. At a time of almost continuous full employment in the London area recruitment of the right type of labour has proved difficult. Many of the persons who have applied for work on London buses have been unable to satisfy the Board's minimum standards of aptitude, physique, and age, although some of these standards have been reduced in recent years. We have been informed that apparently suitable registrants offered work on London buses by Employment Exchanges have often rejected them on the following grounds:—

- (i) non-competitive rates of pay
- (ii) shift-hours
- (iii) awkward journeys to and from work
- (iv) variations between summer and winter schedules
- (v) lack and cost of suitable accommodation in the case of recruitment beyond daily travel.

The third and fifth reasons may be common to many employments, but the others specially affect the busman's.

39. The staff shortage has required the working of expensive voluntary overtime. Even so, it has resulted in gaps in the scheduled services. On the average of 1959–62, for example, the Central services lost about 12 million scheduled bus-miles a year. This amounts to nearly 5 per cent. of the miles operated by those services, a substantial proportion in itself. But the harm done is not to be measured by this proportion alone: the buses have become not only less frequent but above all less reliable. It seems to us clear that this unreliability has borne hard on the public, and has turned would-be passengers away, to use other forms of transport they find they can rely on more, or simply to walk. This loss of passengers has

rendered the remaining bus services less economical, and so made for further reductions in the service. We believe also that the long waits occasioned by gaps in the service have been a cause of a worsening of relations between the busmen and the public.

The status of the busmen

40. That these relations have deteriorated has been suggested by many representations reaching us. From the side of the Union we were told, "there is this feeling of frustration by the conductors who have to face the waiting queues, and the agitation which develops between conductors and passengers through no fault of either party". A number of social changes since the war, moreover, seem to have made for a lower valuation of the busman's job both by himself and by the community. Changes in the pattern of family life have made the need to work irregular and untypical hours and the frequent week-end working appear, and be felt, as more burdensome than before. An increasing number of married women are going out to work: it is unlikely that the working hours of a busman's wife will fit in with the varying hours he himself has to work from day to day, and it becomes harder for husband and wife to have meals or spend time together. Television has made it less usual to be out in the evenings. Week-end working, moreover, is seen and felt to be more onerous as the week-end comes to be used increasingly for family outings and the undertaking of joint household chores. Again, the problem of maintaining morale in a contracting service is familiar. The London bus service has been contracting, and this can hardly have failed to lower the London busman's pride in his job and his estimation of his own standing in the community.

Contraction of the London bus service

41. The extent to which the service has contracted is illustrated by Table IX. This takes certain major streets of Central London and some of the principal roads in one London suburb, and for these selected routes cites the change between 1953 and 1963 in the scheduled bus services at certain parts of the day. The size of the service is measured here only by the number of buses, and it will be noted that many of the buses in 1963 had more seats than those provided in 1953. In view of the rise in the "tidal flow" the contraction of the evening peak service in central London is particularly striking, as also is the reduction at mid-day in such a major shopping centre as Oxford Street. Where there is no direct link by underground, as between Victoria and the West End, fewer buses have been taken off—indeed from Waterloo to Westminster there has been an increase. Similarly in the railhead services in Harrow there has been virtually no contraction of the evening peak service. A comprehensive measure of the contraction of services is provided by the total bus miles run, which from 1953 to 1963 were reduced by 26.6 per cent.

42. In sum, the factors we have surveyed have led to lost mileage; a lowering of the standard of the bus service to the public through reduction, cancellation or irregularity of services; a consequent impairment of relations with the public reacting in turn on the morale of the staff; and an incentive given to the public to make use of other means of transport, or (over short distances) to walk rather than to take the bus.

TABLE IX

CHANGE BETWEEN 1953-1963 IN THE NUMBER OF BUSES PER HOUR SERVING SELECTED STREETS IN CENTRAL LONDON AND IN ONE SUBURB
(Many of the buses in 1963 had more seats than those of 1953)

	Evening Peak			Midday Normal			Evening Normal		
	1953	1963	Percentage change	1953	1963	Percentage change	1953	1963	Percentage change
<i>Central London</i>									
Piccadilly	150	122	-18.5	128	89	-30	99	69	-30
Bond Street	26	28	+ 8	18	19	+ 5.5	15	10	-33
Regent Street	195	149	-23.5	168	109	-34	110	77	-30
Park Lane	159	134	-15.5	146	97	-33.5	109	65	-40
Charing Cross Road	71	61	-14	66	45	-32	53	46	-13
Kingsway	96	63	-34.5	68	47	-31	49	32	-35
Oxford Street (west)	224	168	-25	216	130	-40	161	99	-38.5
Grosvenor Road	158	148	-6.5	110	82	-25.5	107	74	-31
York Road (Waterloo)	32	42	+31	18	27	+50	10	14	+40
<i>Suburb</i>									
Station Road—Harrow	38	40	+ 5.5	34	21	-38	30	15	-50
Plumtree Road—Harrow	12	8	-33	12	8	-33	8	5	-37.5
Northolt Park—South Harrow	21	25	+19	18	10	-44.5	18	9	-50
Eastcote Lane—South Harrow	24	24	—	24	15	-37.5	20	10	-50
Field End Road—Eastcote	7	6	-14	6	4	-33	6	3	-50
Empire Way—Wembley	16	20	+25	8	6	-25	8	6	-25

Source: London Transport Board

The urgent need to maintain and develop the bus service

43. We have surveyed a time of growing problems for the London bus service, of lost traffic, more difficult operation, and progressive contraction of the service. We believe that in the public interest this process must be halted and reversed. We shall now give our reasons for this, consider what action has been taken to maintain the service hitherto, and go on to ask in what ways it can be developed and adapted henceforward.

44. In paragraph 30 we have outlined some of the measures taken to relieve traffic congestion in London, and have shown that they have taken marked effect. But the evidence we have received also shows that such measures can serve only as a partial or temporary check to a persistent trend towards congestion. The major factor here is the continuing and great prospective rise in private car ownership. This affects all parts of the country, but for London the problem is specially acute, for two reasons. One is the increasing separation that we have noted between the place of residence and the place of work in the London region. The other arises from London's very size: the bigger any town is, the more difficult is it to move a given proportion of its population in and out of the centre by road.

45. Those who have analysed the problem here, and studied the experience of other countries and especially of the United States, are agreed on its magnitude and urgency. They are agreed also that one essential part of the way to tackle it is to maintain and develop the public transport system. Thus Sir Geoffrey Crowther's Steering Group for the inquiry conducted by Professor Colin Buchanan has concluded that there should be action along three lines—building new urban roads, limiting the use of cars, and developing public transport. "The car-commuter," the Steering Group's report says (paragraph 25), "the worker who uses his car to travel between home and work, is the heart of the urban traffic problem, which would be reduced to more manageable dimensions if he did not exist. To the extent that he cannot be prohibited from driving to work, or taxed out of it, or provided with roads to do it without producing jams, perhaps he can be persuaded to do his journey by bus or train?". The report goes on to note the difficulty of so persuading him, and concludes (paragraph 27): "Even if it were pushed most vigorously, therefore, we do not believe that the expansion of public transport could by itself provide a complete answer. To prevent the steady rise of car-commuting, it would be necessary to provide a great many more bus and tube routes; running at very frequent intervals, at reasonable fares and with enough vehicles to guarantee a seat to every passenger. This could hardly be done on a paying basis; it is very questionable whether it could be done at all. But this is not to say that the expansion of public transport cannot make a large contribution. Regarded not as a solution in its own right, but as one arm of a co-ordinated policy, we think the case for expanded public transport in cities is proved." Similarly the report of Professor Buchanan's Working Party itself concluded (paragraph 457): "In the long run the most potent factor in maintaining a 'ceiling' on private car traffic in busy areas is likely to be the provision of good, cheap public transport, coupled with the public's understanding of the position."

46. Speaking in a debate on traffic in towns in the House of Commons on 10th February 1964, the Minister of Transport said:

"In the larger towns, public transport will play a big part. In London and some very large conurbations—but not all of them—this includes the railways, but for most towns buses would be the mainstay, although not necessarily in quite the same form as we now know them. I do not rule out new technical developments such as travelators and monorails. The bus, however, will still be important. We must see that it offers an attractive service. This does not necessarily mean subsidies or lower fares. The quality of service is more important, serving the right places at the right time and the right frequency, with proper provision for changing routes, and such like. Also, I do not see that we shall be wedded to the buses as we now know them. There are many ways in which, technically, they could be altered to suit the needs of the travelling public much better. There is resistance to this in many quarters, but that resistance will have to be overcome. The needs of public transport, therefore, must be taken into account in redevelopment plans."

47. We have reason to believe that both Board and Union accept the need to maintain and develop the London bus service as a contribution to the solution of the problem of London traffic.

Recent action to maintain and improve the bus service

48. The Chambers Committee, which was appointed in 1953 "to inquire into the conduct of the undertaking carried on by the London Transport Executive . . . with a view to ascertaining what practical measures can be taken . . . in order to secure greater efficiency or economy" summarised its conclusions when it reported in January 1955 in a chapter from which we quote the following paragraphs:—

"392. London has one of the best passenger transport systems in the world and it is served by a body of workers of all grades who have a fine tradition of loyalty and public service. If, however, steps are not taken to improve the external conditions in which London Transport operates and if certain internal reforms are not made there is a serious danger that the standards of efficiency will decline and costs will rise with an inevitable reaction upon fares.

393. It is necessary to take action not merely to maintain existing standards but to improve upon them if the public passenger transport system in London is to compete successfully with other means of passenger transport in the area. We believe that the greatest contribution to the solution of the growing problem of traffic congestion in London can be made by London Transport if it is adequately supported and if, as a consequence, a growing proportion of travelling in the central area is done by public transport instead of private transport.

394. The standard of service provided by London Transport is high except for (a) acute over-crowding at a number of points during peak hours, (b) poor inter-change facilities and (c) some irregular and slow running of road services which pass through congested streets.

The standard of service can never be independent of the fares charged: without any change in economy or efficiency a better service could be provided at a higher level of fares; at a lower level of fares the undertaking could still be made to pay by a reduction in the standard of service provided. Any substantial reduction in the standard of service, and in particular in the frequency of service, in order to make reductions in fares possible or to avoid increases in fares would lead to the increasing use of private means of transport in the area and would have an adverse effect upon traffic congestion which is already becoming critical. We consider that vigorous measures should be taken on the lines suggested below to secure greater economy and efficiency and that everything possible should be done to avoid a reduction in the services provided. We would regard an increase in fares as the lesser evil."

49. The Chambers Committee went on to make a number of specific recommendations. In Appendix 4 we reproduce, so far as it concerns the bus service, a document prepared by the Board for its internal use and submitted to us in evidence, setting out the position as at 1963 on the recommendations involving action by London Transport.

50. The Board have further reported to us in evidence that since the end of the war they "have placed in service over 8,000 new buses of modern design, to replace the old buses which carried us through the war, to eliminate the tramways from London, and to replace the trolley buses. During this same period of time, 24 garages have been reconstructed and brought up to modern standards and 10 entirely new garages have been built. During this same period, extensive expenditure has been incurred on modernising the main workshops and for the purchase of equipment and tools for servicing the buses. The Board have continuously led the way in the provision of modern buses. They pioneered the introduction of diesel engines in the early thirties, without which the present fuel bill would be nearly double what it is today. They were the first to introduce the self-change gearbox and automatic gear shift on public service vehicles. They have devised and pioneered the new techniques of standardisation which have had the effect of reducing maintenance costs and enabling incentive working to be introduced in their overhaul factories." It will be seen that this statement includes a reference to two major operations, the replacement by buses of the trams and of the trolleybuses. The introduction of new buses has included in the last two years that of some 1600 64-seater Routemaster (RM) buses in replacement of the 56-seater RT buses. In Part II of our report we give an account of some new types of bus with whose development the Board is currently concerned.

Maintenance of unremunerative services

51. The Board has maintained and is maintaining now a good many services which are losers in the sense that to withdraw them would reduce the Board's costs by more than the present amount of the takings on the route itself. Table X gives the proportions of buses on losing routes in the summer of 1963: it shows, for example, that of all the buses on double-decker routes in the Central services, 22 per cent. were operating losing routes.

TABLE X
PROPORTION OF BUSES ON UNREMUNERATIVE ROUTES AS A PERCENTAGE OF
TOTAL BUSES OPERATING GIVEN GROUP OF ROUTES

				<i>Monday to Friday per cent.</i>	<i>Saturday per cent.</i>	<i>Sunday per cent.</i>
<i>Central Buses</i>						
	Double-decker routes	...	...	22	13	86
	Single-decker routes	...	...	89	93	100
<i>Country Buses</i>						
	Double-decker routes	...	...	45	18	92
	Single-decker routes	...	...	85	70	100
<i>Coaches</i>						
	Double-decker routes	...	...	12	—	12
	Single-decker routes	...	...	6	—	16
<i>All services</i>						
	Double-decker routes	...	...	24	13	84
	Single-decker routes	...	...	62	56	58

Source: London Transport Board

These routes, it will be remembered, are reckoned losers by reference to the present actual takings on the route itself, but many services are inter-dependent, and it may be only because they can use a losing route in the course of a longer journey that passengers travel by some of the paying routes. In such a case, withdrawing the losing route would mean the loss of more fares than are taken on that route alone. But when allowance has been made for this, there still remain many services whose withdrawal would raise the Board's overall balance of revenue over costs. These services the Board finances by cross-subsidisation from the rest. In some quarters the Board has been urged to cut them out as being uneconomic, but it maintains them basically because of its statutory duty to provide an adequate service. The public, it must be said, keeps it under strong pressure to fulfil that duty.

52. It has told us that in deciding what present services to maintain, or what additional services to provide that may at least at first be losers, it has "to treat every case on its merits, taking into account not only the numbers of persons affected but the intangible yet vital question of the degree of hardship or inconvenience which would be caused if they failed to provide, or if they reduced or withdrew, an uneconomic service. In this context the word 'adequate' would be difficult to define. It is easier to point out what is plainly inadequate. If people are regularly left on a central London kerbside waiting for a bus much longer than about 10 minutes (in a few cases 15 minutes) at the end of a normal working day, then the service is less than adequate; and if there is no bus route at all within about half a mile of any part of a main suburban area to move schoolchildren, old people and all that part of the community which does not enjoy the use of private transport, then the Board has not carried out its duty, whether or not the service would be remunerative". The standard of public need required to justify putting on a new losing service is probably higher in practice than that required to justify keeping on an existing one.

Prospects of improving the service

53. We have considered in what ways the London bus service can be improved to meet the need and challenge of the times. One way is to

introduce various improvements in the vehicles and operation of the services: this is bound up with the pay and conditions of employment of the busmen, and we discuss it in some detail in Part II. Here we shall proceed to consider more briefly the contribution that can be made by improving the flow of traffic. We shall also examine the suggestion that the financial requirements under which the Board operate should be changed.

54. We have seen how improvements in the flow of traffic, especially through the parking meter, the one-way street, and the ban on the right hand turn, have done much to prevent congestion and raise the flow of traffic through the streets of central London, especially since 1961. One effect of this, we saw, was to displace congestion to the inner suburbs, where it has brought increased difficulties to the bus services; an improvement is therefore to be expected from the extension to the surroundings of the central area of the measures that have proved so effective within it. One proposal to help the bus services is that schemes of traffic control and highway layout should provide some priorities for buses—for example, that buses might be exempted from more bans on the right hand turn; or that certain busy stretches of road might be made "clearways" in the peak hours, so that commercial vehicles could not stand at the kerb to load and unload, and the nearside lane might then be marked for "buses only" at suitable places. We hope that the traffic authorities will make greater efforts to provide bus services with every practicable preference of this kind.

55. We would also stress that the routes the buses are to follow should be considered at all stages of regional, town and highway planning. Particularly at the detailed stage of comprehensive redevelopment, special consideration should be given to bus circulation and waiting, so that bus passengers are not at a disadvantage compared with motorists.

56. In the future the level of the Board's bus services—the number of buses and the extent and frequency of the services—are likely to be determined against the overall requirements of the London transport system including railways, underground and cars. The Buchanan and Crowther Reports point to the need for a co-ordinated system of road transport, because of the expected growth in traffic and the limitation imposed on the present and future provision of road space to deal with it by physical and amenity considerations. In view of the greater economy in road space of carrying people in buses rather than in private cars, an increase in the bus services will be necessary. Whether this will be brought about by restrictions on the use of cars or by improving the relative attractions of the buses will have to be determined. The preparation of such a co-ordinated plan for London is a matter for the planning, highway and transport authorities. We refer to it here because of the implications of these authorities' decisions for the future costs and revenues of the Board.

57. Like other nationalised industries, the Board has been given a particular financial target: we have seen that it is at present required to achieve an average balance of revenue of £4 million a year for 1963-67.

Evidently, like any other business, the Board could (in a given state of its own efficiency) provide its customers with a better service for the same total outlay if it did not have to realise a balance of revenue, and there may always be branches of the public service where the social benefits of a better service are reckoned great enough to warrant departure from the rule that the service must pay its way: indeed this is already so for the particular services which, as we have seen, the Board maintains by cross-subsidisation. For public road transport there is the possibility that if a better service prevents the growth of congestion that would be caused by increased resort to the private car, it may pay for itself, in the social accounts if not its own, by saving the costs of the congestion or of the road building needed to remedy it. Again, we have just indicated the possibility of a co-ordinated system of transport being developed, and we can see that the rôle assigned to the buses in this might call for a revision of the financial requirements laid on the Board. But none of these considerations seems to us to warrant any present change in those requirements. It would not seem right to us for public transport in the South East, where economic growth is outstripping most other parts of the country, to be in effect subsidised at the expense of those other parts. But more than this, we believe that any relaxation of financial requirements now would only divert attention from the most urgent present need, which is to secure the maximum efficiency and productivity in the operation of the London bus service. This is the prime responsibility of the Board. We recognise that the opportunities for the Board to develop an efficient and paying service are limited by external circumstances and not least by what can be done to continue the improvement of the traffic flow as a whole. But we believe the present situation demands from the Board themselves a bold and imaginative approach to the whole of their functions.

58. There is, however, one financial charge at present laid on the London bus service, in common with all others, which we would raise for separate consideration. At present the Board pays fuel oil tax to the extent of some £4·7 million a year—more than its target surplus. We recognise that, like all other taxes, the fuel oil tax has its advantages as well as its disadvantages, and must be considered in its place in the structure of public finance as a whole. But we would point out that when the maintenance of bus services in towns has been accepted as an essential part of public policy to meet a growing threat of congestion, a tax that adds so much to the cost of just those services becomes increasingly anomalous.

PART II

PAY AND CONDITIONS

59. We have now to review the pay and conditions of employment of the drivers and conductors of the London Transport Board's road services, in the setting of problems and prospects that we have depicted in Part I. The pay and conditions of employment of the London busmen are properly the subject of negotiation between the London Transport Board and the Transport and General Workers Union. We ourselves have not been

appointed to inquire into any claims or adjudicate upon them. In our task of reviewing pay and conditions, however, we have been helped by the reasoned statements of their proposals for change that have been made to us by the Board and the Union. Our present object, therefore, is to set out the main particulars of these proposals, and to discuss them in the light of the considerations set out in our terms of reference. We hope that our doing this will serve to make clear the public interest in the outcome of the ensuing negotiations, and help the Board and the Union to reach agreement.

60. It is convenient to arrange our materials according as they bear mainly upon one or other of two questions, though these questions overlap in practice. They are, the right position for the pay and conditions of the busmen in the wage structure of the London area; and the possibility of changes in operating methods that raise productivity and so make higher earnings possible without higher costs and fares.

THE RIGHT POSITION FOR THE PAY AND CONDITIONS OF THE BUSMEN IN LONDON

61. We are concerned in this section with the question: what level of pay is likely to attract and retain the staff required, in point of quantity and quality, to maintain a service which can be expected to meet the statutory requirements of adequacy, efficiency and economy in operation? It is accepted that the difficulties experienced by the Board in finding sufficient staff to make up their "establishment" are, broadly, a measure of the lack of appeal in the busworker's pay and conditions, relatively to some other occupations, during recent years.

The competitive level of pay

62. We have considered in some detail how the current levels of pay in other occupations compare with those of busworkers. For this purpose, we concentrate for convenience on the pay of the Central bus driver. The relationship between his pay and that of the other grades in the service is considered in paragraphs 91 to 99 below.

63. It is never easy to establish comparability between pay in different occupations. What we propose to do is to set out the levels of pay in other occupations and industries which should be considered in assessing the right pay level for the busman. But to suggest that a comparison between one occupation and another is relevant is not to imply that equality of pay between them is desirable. Other less measurable relative advantages and drawbacks must be taken into account.

64. Moreover, the pay system in the bus service does not easily lend itself to comparisons with occupations where working conditions are very different. The starting point in the calculation of the busworker's actual pay is the *basic rate*; it is this rate that is at the centre of wage negotiations. But in fact every busworker receives substantially more than the basic rate for carrying out his scheduled duties. The resulting weekly pay is his *rostered earnings*, that is, the payment at the basic rate together with "penalty payments" depending on his pattern of duties.

65. The make up is illustrated by the present average rostered earnings of the Central bus driver :—

	s.	d.
Basic rate	267	6
Additional Sunday pay	11	4
Additional Saturday p.m. pay	6	1
Early and late duty allowances	5	1
Scheduled overtime	1	9
Spread-over allowance	18	4
Total Rostered Earnings	310	1

66. The pay system is based on a 42-hour week. In fact, because of the complications of scheduling, the average time on duty to which the earnings above relate comes out at under 39½ hours; on the other hand hours additional to the 42 may be involved by the "Spread-over" of duties. The make up of the working week is more fully explained in paragraphs 102-110. In addition, the busworker may be working voluntary overtime: for example, in the summer of 1963, when substantial amounts of voluntary overtime were needed to meet the staff shortages, the average total earnings of all drivers and conductors exceeded their rostered earnings by between £1 and £2 a week.

67. In seeking guidance from a comparison with other industries, we must consider separately first the basic rates and secondly the actual pay. The basic rate is the subject of collective agreements in all industries and it is the figure which attracts the greatest publicity. The relationship to actual pay, as will be shown, varies widely from one industry to another, for many reasons.

Comparison of basic rates

68. Broadly speaking, the basic rates for London busworkers now compare very favourably with those in most other industries. This is shown by Table XI in which are set out the basic rates for men in a variety of industries; the industries shown include both manufacturing and service industries, with special emphasis on the various branches of transport. Normally the London rates are shown, but we have also added the rates in the provincial bus services.

69. One particular comparison has special significance to the London bus driver—namely, the rate paid to the *Underground motorman*. The motorman's basic rate is now 307s. against the Central drivers' 267s. 6d. The history of this differential is told in Table XII, which shows that it is now wider in terms of shillings a week than during most of the post-war period; but that in percentage terms the differential has been roughly maintained during the post-war period. Immediately before the war, the two rates were close together. One reason for the opening of this gap appears to be that the usual practice in the London Transport bus service has been to maintain the differentials between the different grades stable in terms of shillings per week (paragraph 95); on the railways, the general practice has been to give

equal *percentage* increases for each grade. Hence the rate for the top grades on the railways has tended to run ahead of that for the top grades in London Transport bus services.

70. The motorman's rate has, however, long been identical with the corresponding railway driver's rate. Argument may well continue about the relative responsibility, skill and pressure of the motorman's job compared with the bus driver's. But it appears to us that the level of busworkers' pay should depend upon a wider field of considerations than the single factor of the railway drivers' pay.

A comparison of earnings

71. London Transport bus services share with many other service industries features of a pay structure which do not appear elsewhere. In the service industries, and particularly in the public services, the actual pay is that determined by collective agreements. These fix the basic rate and also the various premiums or penalty payments for overtime working, week-end working and other special circumstances on which the actual pay packet depends. By contrast, in most manufacturing industries, and in some private services (e.g., private road haulage), the collectively agreed rates are the foundation for a more differential structure of actual pay, varying considerably from firm to firm but always exceeding the basic rates. This is not simply because of greater opportunities for overtime in private industry; it is because of the widespread possibilities for separate firm-by-firm wage bargains. Thus in engineering the recognised basic rate for a fitter in London (216s. 3½d.) is only about two-thirds of the average amount now actually earned by fitters, on time work for a 42 hour week without overtime (about 330s., see paragraph 76). This proportion we would think is reasonably typical of manufacturing industries. The operation of "wage drift", in this sense, is a familiar feature of post-war conditions of full employment. Workers in the industries where wage drift has not occurred have been left behind in the upward movement of money incomes; in some of these industries, including London Transport bus services, the relatively high basic rates no longer assure a high position in the scale of actual pay.

72. We have attempted as close a comparison as can reasonably be made between actual earnings at present in a wide range of industries in the London area, and the rostered earnings of bus workers. For this purpose, the earnings in other industries have been adjusted to a 42-hour week, excluding overtime premiums. The results are shown in Table XIII, and notes to the table describe the method of adjustment. No account is taken at this stage of the special conditions of work in the various industries.

73. As compared with other service industries in the table, rostered earnings of busworkers are now above the average. The difference was, of course, less marked before the increase in bus wages last December. But the range of service industries shown is far from comprehensive. In particular, no current statistics of earnings are available for a number of other public services such as the railways, or British Road Services. We would, indeed, like to suggest that if realistic pay comparisons are to play a useful part in the process of wage determination, more regular information on actual earnings in the public services will be needed than is at present available.

TABLE XI
BASIC RATES FOR MEN, 28TH FEBRUARY 1964
(The rates are those for London, except for provincial busmen)

	Drivers		Conductors			s.	d.	s.	d.
	s.	d.	s.	d.					
<i>London Transport</i>					SPD Ltd. (Unilever)—over				
Central buses—maximum	267	6	252	6	5 tons	256	6		
All services, weighted average	265	4	250	7	Pease Transport (Tate and Lyle)	251	8	to 263	4
	258s.				Allied Services Ltd.	257	6		
					United Glass Ltd.—under				
					4 tons	264	0		
<i>Other bus services</i>								<i>Drivers</i>	<i>Guards</i>
Municipal (N.J.C.)—					<i>Railway Services</i>				
maximum	232	9	224	0	British Railways—				
Company (Nat. Council)—					London—				
maximum	217	3	213	3	Engine driver on maximum	307	0½		
Birmingham City (12 months service)	249	5	244	2	Guard on maximum			249	0
Walsall and Wolverhampton	239	9	230	6	<i>London Transport—</i>				
Luton and Coventry	243	9	234	6	Underground—				
					Motorman on maximum	307	0½		
					Guard on maximum			249	0
<i>Lorry and van drivers</i>					<i>Other service industries</i>				
Road Haulage:					Traffic wardens—Inner London			289	0
Wages Council minima for London—					Milk Roundsmen—Wages Council minimum—London			200	6
5–10 tons	205	6							plus commission
Over 18 tons	230	9			Postman on maximum—				
British Road Services—					Within 3 miles of Charing Cross	257	0½		
London—					Rest of London			249	0½
5–10 tons	207	6			Electrical contracting—journeymen	297	6		
Over 18 tons	231	9			Gas fitters			269	6
Petroleum distribution—					Electricians, fitters (in Electricity Supply)			284	7½
London—					Civil air transport—tradesmen			248	11
1,500 gallons	240	0*			Motor vehicle—retail and repairing				
3,000 gallons and over	254	9*			skilled workers			220	6
G.P.O. mail van drivers—					Boot and shoe repairing			184	0
Inner London	253	6			Local authorities—group 1			215	9
Outer London	245	6			<i>Building—craftsmen</i>			260	9
Local Authorities—					<i>Manufacturing industries</i>				
London, day work—					Baking—first hands			194	1
2 tons	231	6			Biscuit manufacture—highest rated			213	0
Over 10 tons	249	0			Food manufacturing			192	0
Ambulances	259	0			Brewing, inside workers			227	0
Wholesale Grocers, etc., drivers—London—					Drug and fine chemicals—highest rated			217	0
30 cwt.	218	6			Engineering—fitters			216	3½
Over 5 tons	230	6			Electric cables—highest rated			220	6
Retail Co-op. Societies—					Vehicle building—craftsmen			237	0
Metropolitan—Drivers	212	6 to 221	6		Railway workshops—craft grades			219	6
Bakery Roundsmen	211	6			Leather producing—skilled			207	10
Building—London	257	2 to 276	2		Tailoring—measure cutters			209	1½
Civil Engineering	241	9 to 250	8		Footwear manufacturers			200	0
Pressed Brickmakers Association	247	8 to 255	6		Furniture—journeymen			250	3
Guinness Transport Ltd.	280	9 to 308	0†		Paper making, etc.—highest rated			219	8
4 Major flour milling firms—London area	373	1 to 478	7		General printing—hand compositors			286	8
					Match manufacture			203	4

Sources: Information from the Ministry of Labour and statements submitted by the London Transport Board and the Transport and General Workers' Union.

* Plus 6d. an hour for change to 30 m.p.h. operation.

† Plus 7d. an hour for change to 30 m.p.h. operation.

‡ Plus mileage allowance from 6d. to 2s. 6d. for every 15 miles in excess of 65 up to 140 in one tour of duty. Maximum reached after third year of service. Rate in first year of service is 276s. 0d.

§ Plus 2s. 5d. a day when driving over 2 hours per day.

TABLE XII
COMPARISON OF BASIC RATES FOR CENTRAL BUS DRIVERS AND UNDERGROUND
MOTORMEN

	<i>Central bus driver</i>		<i>Motorman</i>	
	s.	d.	s.	d.
August, 1939	90	0	93	0
1st January, 1948	121	6	134	0
1st January, 1951	136	0	151	6
1st January, 1954	158	6	171	6
1st January, 1957	193	6	215	0
1st January, 1960	202	0	233	0
1st January, 1961	230	0	266	0
1st January, 1962	230	0	266	0
1st January, 1963	236	6	290	0
1st November, 1963	252	6	290	0
1st January, 1964	267	6	307	0

TABLE XIII
AVERAGE WEEKLY EARNINGS AND HOURS WORKED, MEN WAGE-EARNERS
IN LONDON AND S.E. REGION

		April, 1963		Jan. 1964
	Hours worked	Average earnings		Earnings computed for 42 hours ⁽²⁾
		Actual	Computed for 42 hours ⁽¹⁾	
		s. d.	s. d.	s. d.
<i>Non-manufacturing industries</i>				
Gas, electricity and water	47.6	322 7	270 5	276 0
Transport and communication ⁽¹⁾	50.3	363 5	284 3	290 0
Miscellaneous services ⁽¹⁾	47.1	299 5	254 4	259 0
Public administration ⁽¹⁾	45.2	272 4	243 10	249 0
Construction	49.8	339 9	269 1	275 0
<i>Manufacturing industries</i>				
Total	46.7	352 3	299 7	312 0
Engineering and other metal-using	46.7	351 10	299 3	317 0
Lowest—Leather, etc.	45.7	300 7	263 1	—
Highest—Paper, printing, etc.	46.1	407 9	352 10	—
<i>London Transport rostered earnings</i>				
Central bus drivers	—	—	293 0	310 1
Central Conductors	—	—	281 8	293 1
All grades	—	—	285 4	299 5

Source for April, 1963, figures: Ministry of Labour "Statistics on Incomes, Prices, Employment and Production" No. 6, September, 1963.

(1) For non-manufacturing industries, all hours over 40 are computed as paid at 1.3 times the average rate for hours up to 40; for manufacturing industries at 1.4 times. Although the standard week is taken as 42 hours, it is assumed that short-time, sickness, shift working, etc., will reduce the actual average hours worked, before overtime is paid, to 40 (as is shown by the more detailed figures for the engineering etc., industries used in Table XIV).

(2) Between April and October, 1963, average earnings for men in all industry increased 3.7 per cent.; hours worked rose by 0.7 hours (1.5 per cent.). Average earnings on a 42 hour week basis thus probably rose slightly less than 2 per cent. (more in manufacturing). Since October, 1963, standard rates in engineering were increased by 5.5½ per cent.; the effect on actual earnings was probably nearly proportionate. To allow for these changes, the January, 1964, 42-hour week earnings are computed by adding to the April figures 4 per cent. in manufacturing (6 per cent. for engineering, etc.) and 2 per cent. in non-manufacturing.

(3) Road haulage (excluding B.R.S.), Road passenger transport (excluding L.T.B.), ports and inland waterways, air transport and other transport and communication (mainly G.P.O.).

(4) Laundries and dry cleaning, motor repairs and garages, shoe repairs.

(5) Mainly Local Government service (most Central Government employees are included in their appropriate industries).

TABLE XIV
EARNINGS AND HOURS BY OCCUPATION IN THE ENGINEERING AND
OTHER METAL-USING INDUSTRIES⁽¹⁾—JUNE, 1963

Men, in London and S.E. Region

	Numbers 000's	Average hours		Average earnings		
		Including overtime	excluding overtime	Including overtime premium	Excluding overtime premium	Computed for 42 hours excluding overtime premium
				s. d.	s. d.	s. d.
Time workers—						
Skilled	57.0	46.2	40.6	365 10	345 8	314 3
Semi-skilled ...	54.7	47.0	39.6	363 6	336 11	301 1
Labourers ...	13.0	47.8	40.8	278 4	259 1	227 8
Piece workers—						
Skilled	33.0	44.7	40.8	388 5	377 3	354 6
Semi-skilled ...	24.2	45.2	40.8	333 4	322 1	299 3
Labourers ...	1.7	46.0	40.6	298 5	285 10	261 0
Averages						
Skilled and semi-skilled						
Time workers...	111.7	46.6	40.1	364 8	341 5	307 9
Piece workers...	57.2	44.9	40.8	365 1	353 11	331 1
Total	168.9	46.0	40.3	364 10	345 7	315 6
All grades ...	183.7	46.1	40.3	358 1	338 11	308 9

Source: Ministry of Labour "Statistics on Incomes, Prices, Employment and Production" No. 7, December, 1963. Last column computed in present inquiry.

(1) Industries covered: mechanical and electrical engineering (excluding instruments and cables); shipbuilding and marine engineering; motor vehicles, aircraft, railway vehicles; and some miscellaneous metal industries.

Note: The figure of actual average earnings in June, 1963, for all grades (358s. 1d.) is higher than the average for the same group of industries shown in Table XIII for April, 1963 (351s. 10d.). This may be partly because earnings increased between April and June. But the main reason is probably that the inquiry on which the June figure is based was generally confined to engineering occupations; it covered only about half as many workers as the April inquiry, which included all workers in the industry concerned. In particular, the June inquiry covered only a small number of labourers.

TABLE XV
CENTRAL BUS SERVICES: STAFF POSITION AND RELATIVE PAY

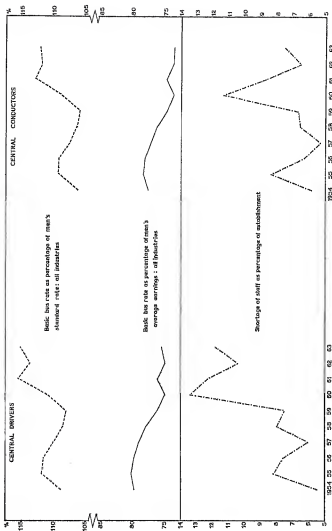
	Average establishment ⁽¹⁾	Average shortage ⁽¹⁾	Average shortage as % of average establishment	Recruited in year	Wastage in year	Basic rate as % of all industries (men)	
						Standard rate ⁽²⁾	Average earnings ⁽²⁾
<i>Drivers</i>							
1954	19,874	1,074	5.5	1,768	3,127	108.8	79.6
1955	18,829	1,538	8.2	1,393	2,776	111.9	80.2
1956	18,463	1,396	7.6	1,724	1,169	111.6	79.9
1957	18,329	1,113	6.1	1,396	1,861	109.9	79.0
1958	17,594	1,405	8.0	912	2,274	108.5	77.8
1959	16,074	1,203	7.5	1,021	2,106	108.0	76.2
1960	16,063	2,153	13.4	1,470	2,186	110.9	75.0
1961	15,888	1,955	12.3	2,021	1,525	115.4	76.2
1962	15,719	1,639	10.4	2,149	2,218	113.7	75.0
1963	15,604	1,849	11.8	2,001	2,717	115.2	75.6
<i>Conductors</i>							
1954	19,875	1,166	5.9	5,317	6,795	106.0	77.6
1955	18,834	1,584	8.4	5,127	6,023	109.4	78.4
1956	18,467	1,188	6.4	5,835	5,571	109.3	78.2
1957	18,337	977	5.3	4,846	4,816	107.6	77.4
1958	17,624	1,165	6.6	3,034	4,970	106.3	76.3
1959	16,100	1,081	6.7	3,933	4,645	105.9	74.7
1960	16,057	1,835	11.4	4,633	4,962	108.8	73.6
1961	15,873	1,413	8.9	4,806	4,590	113.4	74.8
1962	15,723	1,035	6.6	4,499	4,366	111.7	73.7
1963	15,673	1,170	7.5	3,595	4,237	112.2	73.6

(1) Average of figures for end of each quarter (including end of last quarter of preceding year except for 1954).

(2) Quarterly figures of weekly standard rates for men in all industries and services were derived by taking the average of the wage rates index for 3 months and converting on the basis that this represented 187 shillings in 1959, or 80 per cent. of average men's earnings excluding overtime. The average annual ratios in the Table are the arithmetic mean of the ratios of busmen's basic rates to the standard rates in the 4 quarters.

(2) Average earnings for all industries in the second and fourth quarters are given by the enquiries held in the last weeks of April and October. Earnings in the first and third quarters were interpolated using the wage rates index, and the annual averages are then the arithmetic mean of the ratios of busmen's basic rates to average earnings in the 4 quarters.

CHART I
RELATIVE PAY COMPARED WITH STAFF SHORTAGES ; CENTRAL DRIVERS AND CONDUCTORS



74. From the comparison of busworkers' earnings with earnings in manufacturing industry, a less favourable picture emerges. Against the 310s. for the Central driver, and the average of nearly 300s. for all London Transport bus crews, the average London factory worker probably now receives about 312s. for a 42-hour week (Table XIII). This figure, however, is an average for all men factory workers, skilled, semi-skilled or labourers, whether on time rates or payment by results.

75. It seems more reasonable to compare the bus driver with skilled or semi-skilled workers than with the general average of wage earners. This can be done, but only for one group of factory occupations—those in the engineering and other metal-using (including motor vehicles) industries, for which a special inquiry into earnings by occupation was made in June 1963. The results of this inquiry are summarised in Table XIV. The inquiry also provides figures of earnings excluding overtime premiums, so that it is possible to calculate more accurately than for other industries how much would be earned in a 42-hour week. We have made this calculation in the last column of the table. For present purposes, it is the time workers with whom comparisons must be made.

76. In establishing a basis for comparison with busworkers, it seems reasonable to take the computed 42-hour week earnings of skilled and/or semi-skilled time workers. Adding about 5 or 6 per cent. for increased earnings (excluding extra overtime) since June 1963, these would come out at:—

Skilled time workers	...	...	...	330s.-333s.
Semi-skilled time workers	...	...	...	316s.-319s.
Average skilled and semi-skilled	...	...	...	323s.-326s.

77. It should also be remembered that earnings in engineering, as a result of the increase in standard rates in December 1963, are at present about 6s. a week above the general average for all manufacturing industry (see Table XIII). Hence we have a range for comparison in manufacturing, based on a 42-hour week, varying between 312s. (approximately the average for all men wage earners in all manufacturing) and around 330s. (approximately the earnings of skilled time workers in engineering).

Special working conditions of busworkers

78. One important qualification must now be made to all these comparisons. In manufacturing industry the normal working week excludes Sunday and Saturday afternoon working, the specially early and late duties which busworkers must undertake, and the long day sometimes necessitated by the spread-over. With the adoption of the 5-day week in industry, the relative weight of these disadvantages has increased. A similar qualification must be made to the comparisons with other service occupations—although some of them, in particular other transport workers, are subject to some of the same conditions as London busworkers. Against these drawbacks of the busworker's job, may be set certain advantages—for example, the freedom from supervision and the degree of individual responsibility, and the attractions of a public service. We have already seen that the conditions

offered by London Transport—regular and secure employment, uniform, free travel, sick pay—at one time made the busman's job highly attractive in relation to many other employments and enhanced his status. But in the post-war years, these attractions have been increasingly overtaken by other employments, thus leaving the busman relatively worse off. In our view, the net balance of these non-monetary advantages is now less favourable to the busman than it used to be. We think that some offset to this needs to be provided through higher pay, but only the test of experience can decide how much.

Relative pay and the shortage of bus crews

79. The persistent difficulties experienced by the Board in finding enough staff to fill its establishment we regard as evidence of the relative inadequacy of pay. The "establishment" against which the shortages of staff are measured represents the Board's view from time to time of the numbers needed to operate an adequate service. The measured shortage of staff is necessarily, therefore, an arbitrary figure. Moreover, the size of the establishment has itself been reduced over recent years, especially in 1954 to 1960 (see Table XV). Yet something can be learnt from the fluctuations in the measured shortage concerning the sensitivity of recruitment and wastage of staff to variations in relative pay.

80. The interaction between relative pay and the staff position is fairly complex, and cannot be deduced at all simply from the record. For one thing, the interaction may work both ways. Not only does pay affect the staff position, but it is also to be expected that the extent of the shortage will affect the pay, since it influences the attitude of the Board and the Union to pay claims. Also, recruitment and wastage will be governed in part by many other factors than relative pay levels—including fluctuations in the strength of demand for labour in industry generally. And the effects of the various factors concerned will operate over an uncertain length of time.

81. To demonstrate what sort of relationship emerges, we present in Table XV and Chart 1, figures for the past 10 years of the staff shortage and of relative pay. Two alternative calculations of relative pay are offered: one relates basic rates for drivers and conductors to an estimated basic rate for all wage-earners in industry; the second relates the basic rates of drivers and conductors to average earnings of men in industry. It is reasonable to suppose that busworkers' rostered earnings have moved fairly closely with their basic rate so that this second comparison roughly measures changes in the relative *earnings* of busworkers. The Table and Chart relate only to Central Services.

82. No precise relationship is to be expected; and none is found. But the record does suggest the following broad conclusions, applying to both drivers and conductors:—

- (a) The gradual fall in busworkers' relative basic rates in 1955–59 bore some responsibility for the bigger shortages over the period 1960–63 as a whole than in earlier years;
- (b) This more acute shortage was itself one of the reasons for the increase in relative basic rates in 1960, and again in 1963;

- (c) This increase in relative rates had some success in relieving the shortage somewhat in 1961 and 1962; the further rise in relative rates in 1963 may be expected to bring some further relief in 1964;
- (d) But much of the effect of rising relative rates was eroded by wage drift in other industries. This is why the higher relative rates in the last 3 or 4 years compared with 10 years ago have been accompanied by a general downward trend in relative *earnings*;
- (e) So the analysis reinforces the conclusion that the staff position will continue to be difficult until the earnings of busworkers are brought into a competitive relationship with actual earnings in other industries.

Conclusion on relative pay

83. To sum up, the busworker's basic rate is relatively high compared with basic rates in most other industries. His rostered earnings compare favourably with earnings in those other service industries for which we have information. But they compare unfavourably with the pay of workers in manufacturing industry, the more so if we are right in our judgement in paragraph 78, that the balance of non-monetary advantages and disadvantages in different jobs now lies more against the busman's job than it did formerly. The fluctuations in the extent of the shortage of staff for the buses provide evidence that recruitment and wastage are affected by the relative level of busworkers' pay.

84. The Board has expressed the view that the levels of pay introduced in December 1963, providing average rostered earnings of about 310s. for the Central bus driver, were "of the right order at that time apart from any earnings that might arise from increasing productivity". The Board also held that "it might be reasonable to aim at a figure of 335s. per week for the total remuneration of the Central bus driver excluding payments, if any, for voluntary overtime"; but that the additional 25s. should be secured by savings and economies in operation through a system of efficiency payments. The system of efficiency payments would be designed in such a way that every crew member would have the opportunity of earning them.

85. The Union, on the other hand, aim at average rostered earnings for the Central bus driver of approximately 356s. This is built up from a proposed basic rate of 307s.—a figure chosen because it is the new rate for Underground motormen—and adding the same proportion (16 per cent.) to arrive at rostered earnings as that which held for Central bus drivers in November 1963.

86. There is not, it seems to us, an unbridgeable gap between the Board's view of the appropriate earnings level, the Union's view, and our own opinion of what might be, in present circumstances, a competitive pay level. London Transport needs to attract and to keep the staff required—in point both of quality and quantity—to maintain an adequate service in accordance with its statutory obligations. To do this, it must be able to offer the opportunity for significantly higher earnings, which shall be and remain effectively comparable with earnings in industry. But higher earnings cannot be considered apart from the question of how the extra cost can be met. We shall go on to consider how it might be met by raising efficiency.

But first we must examine a number of other matters comprised in pay and conditions.

The make-up of pay

87. In the discussion above, we have tried to set out some of the considerations which should govern the total remuneration of the busmen for a standard week. This remuneration consists of a fixed basic rate plus variable elements depending on the week's rota of duties; on average, for a Central bus driver, these variable elements add 16 per cent. to the basic rate (paragraph 65).

88. The penalty payments for overtime and for week-end work are, on the whole, low in comparison with those paid in manufacturing industry; for instance, double pay on Sundays is the general practice in manufacturing industry, while time and a half is paid in London Transport.

89. We have called attention to the relatively high basic rate of the busmen. This, it seems to us, already incorporates some compensation for the necessity of working more inconvenient hours than are normally worked in manufacturing industry. In many other service industries where inconvenient hours are worked—the railways, other branches of passenger road transport, the Post Office and some sections of road haulage—the penalty payments are also less than in manufacturing industry.

90. It appears to us, therefore, that the penalty payments for overtime and week-end working, and for early starts or late finishing, cannot be considered separately from the basic rate. The present allocation of pay between basic rate and premium payments may not be ideal: we refer in paragraph 110 to the structure of penalty payments. But if a change is to be made, it should be negotiated within the framework of an agreed amount of total remuneration.

Differentials within the London bus service

91. Our discussion has so far centred on the appropriate level of pay for what we have regarded for convenience as the key grade—the Central bus driver. We now have to consider the appropriate relationship of other grades of drivers and conductors. We do not wish to propose precise figures, which should be left to negotiation between the parties, but to suggest general principles.

92. The tendency over the last 25 years, as in many other industries, has been towards a certain narrowing of differentials. The majority of wage settlements have taken the form of equal monetary increases for all grades, thus narrowing the percentage differences between them. Out of 17 increases from January 1946 to December 1963, 10 took this form. The other 7 increases did in fact change one or more of the monetary differentials. The results are set out in Table XVI, and the effects are illustrated in Chart 2. Broadly, the story is that two extra war-time increases for the lower paid grades, and the immediate post-war settlements, narrowed the pre-war differentials substantially. From 1950 to 1958 the monetary differentials were maintained, but they were widened again by the 1958 settlement; in

percentage terms, however, the process of narrowing continued. The settlements in 1962 and thereafter tended to widen the gaps again, both in money and in percentage terms. The monetary differentials now are nearly all substantially wider than at any time. But the percentage differentials remain much narrower than they were in 1939. The Table and Chart show the basic rates : the picture for average rostered earnings is very similar.

93. The differential affecting the largest number is, of course, that between the Central bus driver and his conductor. This has changed as follows (taking the basic rates)

				<i>s.</i>	<i>d.</i>	<i>Conductor as % Driver</i>
August 1939	...	...	...	6	0	93·3
January 1946	...	...	...	4	0	96·7
July 1963	...	...	...	10	0*	96·0
December 1963	...	...	...	15	0	94·4

94. We know of no criterion by which the relative skill, effort or responsibility of the different jobs can be quantitatively assessed. Account must be taken of the changing pattern of staff shortage, recruitment and wastage, which should have some bearing on the appropriate differentials. Since 1958, the shortage of drivers has been relatively worse than that of conductors ; and wastage of drivers has been relatively stable, while wastage of conductors has been falling. These facts may be related, among other things, to the slight relative improvement in conductors' pay rates during most of this period.

95. We have also paid regard to the views of the parties. "The Union" we were told "over a period of many years have endeavoured to reduce the differentials between the sections". As regards the differentials between the Central, Country and Green Line services, they said that "Union policy seeks to establish and maintain the rate for the job . . . a driver's rate and a conductor's rate without regard to the territory on which the buses run". They pointed out that the provincial bus agreements made no distinction between urban and rural services. As regards the differential between driver and conductor, the Union said that "The London bus driver and conductor are two grades traditionally very close to one another in respect of rates of pay and earnings ; and, in fact, because they must work as a team on a vehicle, it is very difficult to separate them on any issue or under any circumstances". They emphasised that although it is in many respects easier to find conductors than drivers, yet "the selectivity of staff is not what it was . . . let us be in a position to attract some of the best from the labour market so that there can be built up an experienced and disciplined force of conductors as in the days of yore". Thus the Union strongly urged the reversal of the recent widening of differentials, particularly that in the interim settlement of December 1963, and urged that the money differentials resulting from the settlement of July 1963 should be restored in any final settlement.

* Resulting from the introduction of a "scarcity" allowance of 6s. for drivers only.

96. The Union's proposals for basic rates, based on a rate of 307 shillings for the Central driver (paragraph 85) are, therefore:—

	s.	d.
Central driver	307	0
" conductor	297	0
Country driver	293	6
" conductor	283	6
Coach (single deck) driver	303	6
" " conductor	283	6

97. The Board recommended the wider differentials which the Committee of Inquiry endorsed in general terms in its Interim Report of December 1963. The Board has told the Union that they "would not seek to widen still further the differentials on rates of pay during the course of the inquiry, but should the Union seek to reduce the differentials, the Board would oppose any such reduction. It was not possible to commit the future any further at this stage."

98. The Board's justification of some differential between driver and conductor is principally in terms of responsibility. Their justification of the difference between the Central buses and the Country buses is based partly on the ground that the country services operate on the periphery in the same area as the lower-paid provincial undertakings (and sometimes operate jointly). The rates for the provincial undertakings are in fact substantially lower than those of London Transport country services. These considerations do not, of course, in themselves dictate any particular set of figures for the differentials.

99. We would, on balance, take the view (a) that the main problem is still the shortage of drivers, and that so long as this continues it will be advisable to retain the wider differential in favour of drivers resulting from the interim settlement of December 1963; and (b) that the persistently greater shortage of crews for the Central services than for the Country or Coach services, as well as the greater burden of duties on the Central services, justifies for the present a differential of about the order now established; this justification may, however, prove only temporary, especially if the tendency continues for traffic congestion to spread outwards from the centre. It is very desirable that the present differentials should not be regarded as fixed for all time but should be open to reconsideration in the light of changing conditions.

TABLE XVI

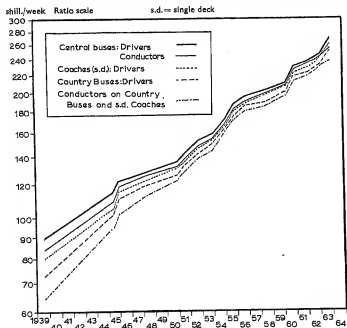
BASIC RATES: DIFFERENTIALS WITHIN LONDON TRANSPORT BUS SERVICES

The dates chosen are those of settlements which changed the differentials in money terms

	1939 Aug.	1946 Jan.	1948 Mar.	1950 Dec.	1958 July	1962 Aug.	1963 July	1963 Dec.
<i>(a) Standard Rates</i>	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Central —Driver ...	90 0	121 6	129 0	136 0	202 0	236 6	252 6	267 6
—Conductor ...	84 0	117 6	125 0	132 0	198 0	232 6	242 6	252 6
Country —Driver ...	72 6	111 0	118 6	127 0	189 6	224 0	239 0	250 0
—Conductor ...	64 0	104 0	112 6	122 0	184 6	219 0	229 0	237 0
S.D. Coach—Driver ...	80 0	114 6	122 0	130 6	195 6	233 6	249 0	262 0
—Conductor ...	64 0	104 0	112 6	122 0	184 6	219 0	229 0	237 6
<i>(b) Differentials, in money</i>	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Central Driver/Central Conductor ...	6 0	4 0	4 0	4 0	4 0	4 0	10 0	15 0
Country Driver/Country Conductor ...	8 6	7 0	6 0	5 0	5 0	5 0	10 0	12 6
Coach Driver/Coach Conductor ...	16 0	10 0	9 6	8 6	11 0	14 6	20 0	24 6
Central Driver/Country Driver ...	17 6	10 6	10 6	9 0	12 6	12 6	13 6	17 6
Coach Driver/Country Driver ...	7 6	3 6	3 6	3 6	6 0	9 6	10 6	12 0
Central Conductor/Coach or Country Conductor ...	10 0	13 6	12 6	10 0	13 6	13 6	13 6	15 0
<i>(c) Differentials, in percentages (lower as percentage of higher)</i>	%	%	%	%	%	%	%	%
Central Conductor/Central Driver ...	93.3	96.7	96.9	97.1	98.0	98.3	96.0	94.4
Country Conductor/Country Driver ...	88.3	93.7	94.9	96.1	97.4	97.8	95.8	94.8
Coach Conductor/Coach Driver ...	80.0	90.8	92.2	93.5	94.4	93.8	92.0	90.6
Country Driver/Central Driver ...	80.6	91.4	91.9	93.4	93.8	94.7	94.7	93.5
Country Driver/Coach Driver ...	90.6	96.9	97.1	97.3	96.9	95.9	96.0	95.4
Coach or Country Conductor/Central Conductor...	76.2	88.5	90.0	92.4	93.2	94.2	94.4	93.9

CHART II

LONDON TRANSPORT ROAD SERVICES : WEEKLY WAGE RATES OF DRIVERS AND CONDUCTORS

**Provision for future pay adjustments**

100. The Board has proposed that basic rates should by agreement be adjusted annually henceforward in accordance with the movement of some index of wage-rates at large. It considers "that the basic rates of pay when established should in future move in sympathy with the general movements in the rates of wages in the London area"; in the absence of an index of wage-rates in that area alone, use might be made of a country-wide index of wage-rates or of the Ministry of Labour's six-monthly figures of semi-skilled time workers' earnings in the engineering industries of the London and South Eastern Region, as adjusted to a standard working week. We recognise that, in the future as at present, the rates of pay at which the Board will prove able to attract and retain the required staff will be strongly influenced by the earnings offered by other employments in the London area; and that when the Board's rates come under review from time to time, regard must be had to the movement of those earnings. But we think that such an automatic link as the

Board has suggested is exposed to many objections, from the points of view both of Board and Union and of the economy at large. We were therefore glad to be told, when we put some of these objections to the Board, that it had suggested the link only as one way of providing for an annual improvement in basic rates within a comprehensive three-year agreement, and that it was not "wedded to this suggestion of an automatic link and . . . would be entirely prepared to revert to (its) suggestion of a programme over a period which would be settled through the normal negotiating machinery".

101. There seem to us to be great advantages in an agreement for a term of years. It corresponds to a policy for "the planned growth of incomes". If it is comprehensive, it reduces the number of negotiations. It also reduces the likelihood of negotiations taking place under the pressure of accumulated disparities and inequities. We therefore recommend to the Board and the Union that they should negotiate such an agreement. This would prescribe an immediate level of pay in the light of the considerations we have set out in paragraphs 61-86 above, and would provide for the raising of this level by specified amounts at specified dates thereafter. But this would be only one provision of a comprehensive agreement which would have to be negotiated as a whole. Some of its other provisions would concern the raising of efficiency, in such ways as we go on to discuss in paragraphs 118-138 below. Here we would stress that the agreement should be comprehensive also, and explicit, in its provisions for pay and conditions: not rates of pay only but hours, schedules, holidays and the like should be regulated by the agreement so that changes not provided for in the agreement could not be claimed by either party before its expiry.

Hours of work

102. At present London drivers and conductors work a standard fortnight of eleven scheduled daily duties, made up of five or six duties in alternate weeks. The agreement between the Board and the Union regulates both *time on duty* and *spread-over*. *Time on duty* is made up of running time, together with allowances known as stand time for short rest intervals in running, and other allowances for time necessarily taken by crews before the start or after the end of running time proper. *The spread-over* is the total lapse of time from signing on to signing off: besides time on duty, it includes the standard "meal relief" of 40 minutes between the first and second spells of duty, and any extension of that relief interposed so that the second spell of duty shall come later. The agreement provides that "the maximum rostered *time on duty* in a standard fortnight shall not exceed 84 hours and the average scheduled fortnight's time on duty for any garage shall not exceed 81 hours 30 minutes"; and that daily duties may be scheduled up to a maximum time on duty of one-eleventh of the 84 hours, or 7 hours 38 minutes, save that on Mondays to Fridays the maximum is 8 hours 15 minutes provided that not more than a fifth of the schedules exceed 8 hours. As to the *spread-over*, the agreement provides that on Sundays and public holidays, and in 80 per cent. of the duties on week-days (70 per cent. for Country buses and Coaches) it shall not exceed

9 hours ; in the remaining 20 per cent. (or 30 per cent.) it " shall not exceed 12 hours 40 minutes on Mondays-Fridays or 10 hours 30 minutes (10 hours for duties finishing after 8.0 p.m.) on Saturdays ".

103. The upshot for actual hours on the job may be illustrated by the following particulars of average weekly hours under the schedules for the present winter:—

	Central		Country		Coaches	
	hours	minutes	hours	minutes	hours	minutes
Running time	32	13	30	29	32	35
Stand time	3	27	4	56	1	53
Other time on duty	3	38	4	2	3	51
Total time on duty	39	18	39	27	38	19
Hours not worked but paid for within the standard working week	2	42	2	33	3	41
Standard week (84 hours 11-day fortnight)	42	—	42	—	42	—
Meal time not paid for ($5\frac{1}{2} \times 40$ minutes)	3	40	3	40	3	40
Spread-over in excess of the standard day plus 40 minutes meal time	1	25	2	25	(-1	35)
Total spread-over (that is hours between signing-on and signing-off)	47	5	48	5	44	5

In comparing these hours with those worked elsewhere, we should note that, on the one hand, on average the hours actually on duty, inclusive of scheduled overtime, are less than 40 a week: though the standard week is of 42 hours the schedules cannot in practice and under the present agreed rules be arranged so as to use all 42. On the other hand, we should note, for example, that a Central busman on average has a spread-over of 1 hour 25 minutes per week in excess of the standard week plus a 40 minutes daily meal time. Crews are free to leave the garage between spells of duty, but in the nature of things cannot generally make much use of this time as leisure. If we regard this time, exclusive of meal times, as predominantly claimed by the job then the relevant hours for comparison with other employments appear as:—

	Hrs.	mins.
Central	43	25
Country	44	25
Coaches	40	25

104. The figures we have given are averages for schedules that differ somewhat from route to route and from garage to garage. The range of difference between garages is indicated by the following particulars of the average time on duty per crew in a week of October 1963, in 71 Central garages:

<i>Time on duty</i>	<i>No. of garages</i>
Less than 38 hours 30 minutes	3
38 hours 30 minutes and less than 38 hours 45 minutes	2
38 hours 45 minutes and less than 39 hours	12
39 hours and less than 39 hours 15 minutes	10
39 hours 15 minutes and less than 39 hours 30 minutes	21
39 hours 30 minutes and less than 39 hours 45 minutes	12
39 hours 45 minutes and less than 40 hours	10
40 hours and over	1
	—
	71
	—

105. The provisions for the daily scheduled time on duty, cited in paragraph 102 above, permit some extension of that time beyond the standard day of 7 hours 38 minutes to a maximum of 8 hours 15 minutes. Where such extension occurs, it is known as scheduled overtime, and carries an allowance at agreed rates. Crews may also have, and in recent years generally have had, opportunities to undertake voluntary overtime. Payment is made for overtime worked within any one day.

106. The total hours of busmen cannot be considered apart from the pattern in which those hours are distributed over the week and month. All crews are rostered to duties which change frequently. Sometimes the working day will start early, sometimes late. A given crew, for example, working on Route 70 from the New Cross garage, begins its rota by starting at 10.37 a.m. and finishing at 7.29 p.m. on Wednesday, Thursday and Friday. On Saturday it starts at 11.41 a.m. and finishes at 8.41 p.m. Sunday is a rest day. From the Monday to the Friday following it starts at 6.39 a.m. and finishes at 3.31 p.m.; on the Saturday it starts at 8.32 a.m. and finishes at 4.10 p.m. The next two days it has off—the 'double rest'. Then come seven days of working, mostly starting at 12.37 p.m. and finishing at 8.45 p.m., and these seven days include Saturday and Sunday. They are followed by three rest days together, Tuesday, Wednesday and Thursday. Through the next seven days, most of the starts are at 3.44 a.m., with finish at 10.9 a.m. So the changes go on, through a rota of eight weeks. In general, rotas include some runs of seven consecutive working days, and occasionally a run of eight. The way in which they distribute duties over the hours of the day may be illustrated by the present rotas of the Central crews from Monday to Friday: here more than 40 per cent. of the duties start before 7 in the morning and half finish at 7 or later in the evening; 15 per cent. start before 6 in the morning, and over 20 per cent. finish after 11 at night.

107. It will have been seen that the rota includes work on Saturdays and Sundays, while some rest days must be taken on week-days. Because traffics are lower at the week-ends fewer duties need be assigned to them, but the average Central crew still works on four Saturdays out of five and one Sunday out of two. In the Country buses the proportion of Saturdays worked is higher, and of Sundays lower. The Coach crews work about three-quarters of both days. The agreement between the Board and the

Union provides that at least 35 per cent. of the Sunday duties of Central crews shall finish not later than 7 p.m.

108. In its letter to the Board of 17th October 1963 the Union proposed "that the Board and the Union jointly examine the possibility of instituting a 5-day shorter working week, or shorter working hours, having regard in particular to the urgent need for a reduction in week-end working hours". In evidence before us the Board has suggested that "the Board and the Union should agree ways and means of introducing over a period of time either a five-day week of 40 hours or a shorter working week for the busmen, and, associated with this review, there should be a consideration of the general structure of work scheduling and penalty payments applicable particularly to Sunday working". The Board has also stated to us that "to give effect to a five-day week of 40 hours or a shorter working week involves considerable alteration to the methods of scheduling and preparation of duty rosters, and this is a highly technical matter. It must be clear, however, that any increase in the number of rest days and a shortening of the working week will have reactions one upon the other, and that in the end an additional number of crews must be employed". The Board expects that this addition would exceed the 1,400 drivers and conductors which, as we shall report in paragraph 118, it believes could be saved by certain changes in operating equipment and practice. The statement which we have been quoting continued: "The Board takes the view that the introduction of these improvements will have to be phased in relation to the availability of staff so as to prevent the working of an undue amount of overtime for the introduction of these measures. They would emphasise that, in their view, these improvements in the conditions of service must be for the provision of leisure rather than for an increase in earnings."

109. The London busmen were among the first to obtain the 42-hour week, which they began to work in July 1956. But we have already stated our belief that since then the further shortening of the working week in industry, and the increasing concentration of that week within Monday to Friday, have increased the relative burden laid on the busman and his household by the variable incidence of his working hours and days and by his liability to work at week-ends. We have also seen reason to believe that changes in social habits that keep the family more together in the evenings and at week-ends have increased the inconvenience to the busman of the roster. We are therefore glad to find that Board and Union are now agreed on the desirability of reducing both total hours and the proportion of week-end working. We see that this can be achieved only by degrees: the rearrangement of the schedules is inherently complicated, and it will in any case be possible to reduce hours without reducing services only in so far as more crews become available through recruitment and through technical improvements that raise operating efficiency. Meanwhile, as it now appears to us, the present movement towards a shorter working week in other employments is likely to persist, and we therefore think it the more important that the Board and the Union should begin now on the difficult task of working out their own transition.

110. We believe that their task will be greatly eased by a reconsideration of the structure of penalty payments, and by greater flexibility in rostering.

The penalty payments are those due for week-end working, early and late duties, scheduled overtime, and spread-over time between the first and second spells of duty; a given structure of these payments has the effect, within a given total of rostered earnings, of raising the cost of particular types of schedule. We have noted also that overtime is at present reckoned for each day separately. Greater flexibility in rostering would be provided by some relaxation of the constraints on rostering imposed by the present agreement between the Board and the Union—for example, that no spell of duty shall exceed 5 hours in charge of the vehicle, or $4\frac{1}{2}$ hours on Saturdays; that early shifts shall comprise not less than 35 per cent. of all duties; or that 80 per cent. of the duties on week-days shall not exceed a spread-over of 9 hours. A present provision for flexibility is that within certain limits the scheduled time on duty may be extended by up to 37 minutes beyond the standard day of 7 hours 38 minutes. We recognize that the present constraints have the reasonable purpose of limiting the strain and disturbance imposed on crews by the pattern in which a given total of hours is rostered over the day and week; and the Union has told us that "the flexibility clause has always been one of the most obnoxious features of the agreement, in the opinion of bus crews". But we consider that a reduction in total hours may make tolerable the greater flexibility that in turn will do much to make the reduction possible. In particular we note that with the present 42-hour week the schedules have been able to provide average times on duty of less than 40 hours, and the move to the 40-hour week will be more practicable and less costly if the average time on duty can be brought closer to the standard week.

Holidays

111. Drivers and conductors are at present entitled, after 12 months' service, to an annual holiday of two consecutive weeks, with pay at the standard weekly rate—that is, at less than rostered earnings. These holidays are now allocated within the period from the end of March up to and including October, according to a standard sequence. A Central busman following this sequence over sixteen years starts his holidays as follows:

- in March or April, in 3 years;
- in May or June, in 4 years;
- in July, August or September, in 8 years;
- in October, in 1 year.

An additional day's holiday with pay is given in respect of each public holiday on which work is required, but these additional days must be taken in the winter months November–February.

112. In its letter to the Board of 17th October 1963, the Union claimed "that annual holidays with pay be increased". In evidence to us the Board expressed its willingness to consider with the Union "ways and means of increasing the annual holiday entitlement of bus staff, the parties to have due regard to the obligations to maintain the Board's road passenger services", and added that it has in mind an additional three days for those with 10 years or more of service, "subject to these holidays being taken at a time consistent with the Board's obligations for the maintenance of the services". The problem here is that the usual period for summer

holidays is one in which the Board tends to be seasonally short of drivers but there is no corresponding reduction in the demand for its bus services. It therefore indicated that the additional days of holiday could be arranged most readily if they were to be taken in the winter: any increased possibility of holidays in the summer should be used rather to bring more of the two weeks' holidays, at present spread over the span from March to October, within the summer months proper.

113. The extension of holidays with pay beyond two weeks (together with the statutory holidays) is now a fairly widespread tendency. We believe that in the present course of social change, the holidays an employment affords are increasingly influential in attracting and retaining staff. We therefore welcome the willingness of Board and Union to consider together additional holidays with pay. We feel strongly that the greatest efforts should be made to arrange for a greater proportion of holidays to be taken within the summer months proper. We also suggest that the extra days of holiday now proposed to be given after five years' service, as we believe this will help to reduce the turnover of staff.

Sick pay and pensions

114. Drivers and conductors are at present covered by a sick pay scheme and a pension scheme. Both were instituted for all branches of the British Transport Commission before these were separated by the Transport Act of 1962. The sick pay scheme is non-contributory. Its typical provision is a benefit of £2 a week, payable after the first seven days of absence, and continuing for 6 weeks for a man with 1 to 9 years' service, 9 weeks with 10-14 years', or 12 weeks with 15 years' or more. The pension scheme is contributory. It was designed at its inception in 1954 to produce pensions of 30s. or 40s. a week, according to grade, for those who had contributed for not less than 40 years, but pensions at these full rates will not fall due until 1994, and those who retire meanwhile will receive smaller pensions, proportionate to their periods of contribution, but subject to a minimum of 9s. 9d. a week. Membership was optional for staff already employed in 1954, but men entering employment since then have been required to join after one year's service. Rates of contribution and benefit are constant irrespective of changes in pay.

115. The Board has been very conscious of the limitations of its present scheme of sick pay, and it has told us in effect that it feels it would be moving with the times if it were to work out in consultation with the trade unions representing the various sections of its employees "a scheme which provided for National Insurance sickness benefit to be supplemented to an agreed proportion of the employee's basic rate of pay for specified periods in any calendar year, subject to retention of the present waiting period". "It would wish to leave the door open at this stage to a choice of method, either the orthodox non-contributory method, or by making additional contributions to the three established registered Friendly Societies⁽¹⁾, jointly with the members for increased sickness benefits."

(1) These are the Societies for Central Road Services (25,000 members), Country Buses and Coaches (6,000 members), and London Transport Railways (7,500 members).

116. The Board is concerned to provide better pensions, and has envisaged a scheme on the same principles as for sick pay, namely that of supplementing National Insurance benefit up to a certain proportion of recent pay. Its present scheme forms part of the former B.T.C. scheme which the Transport Act of 1962 put under the management of the Railways Board, and it cannot work out new arrangements with its own staff alone. It has put to us its view "that the London Transport element of the Scheme should be separated from the remainder, that the London Transport element should be administered by a body representative of London Transport and its staff and that as regards finance, funds should be accumulated in the hands of trustees and separately invested outside the London Transport undertaking". Given this separation, it would seek to work out with the Unions a scheme to provide benefits such that, added notionally to whatever was the current flat rate pension under National Insurance for a single person, they would provide a certain proportion of the retiring employee's basic rate of pay on the average of his last few years at work. The proportion would rise with the number of years' contribution to the scheme, and might reach 60 per cent., for example, for 40 years' contribution.

117. We believe the trend of the times is towards an increase in this kind of provision, and it seems to us also that income maintenance is a natural counterpart to the sense of responsibility specially needed in a public service. We have noted in particular that most industrial sick pay schemes now provide full wages less National Insurance benefit, at least for an initial period; this is what the Board now provides for its salaried staff. The Board's pensions proposals involve its being enabled to withdraw from the present general scheme, and this raises issues into which we have not entered, but we attach much importance to the Board's being enabled to develop its own scheme as part of the present reformulation of the busman's pay and conditions of employment, and we hope that the Minister of Transport will consider the Board's proposals sympathetically. We have been impressed by the care and thought which the Board has given to the working out of improved schemes for pensions and sick pay, and we hope that it will be able to implement both.

WAYS OF RAISING EFFICIENCY

118. The measures envisaged are of three kinds—a bonus scheme for bus crews; increased weekly payments to drivers and conductors holding safety awards; and a number of changes in the size and type of buses and in their operation, principally the use of buses with more seats and/or with entrances at the front, the extended use of one-man buses, and the introduction of a type of bus called "standee" designed to carry a large number of standing passengers. The Board estimates that these changes would enable the work that was done by some 7,600 buses in the Monday to Friday services of last summer to be done by about 7,100 buses, while the seats provided in the peak hours would be increased by 10 per cent. and there would be a greater reserve capacity to meet any surges of demand at other times. With present hours of work the smaller fleet could

be operated by 1,400 fewer staff, but with the proposed shortening of the working week the net effect would be some increase in the staff employed. —We will consider the three kinds of measure in turn.

A bonus on takings

119. The object of the bonus scheme is to give incentives to the driver to keep to schedule and not lighten his conductor's work by closing up to the bus in front; and to the conductor to collect all fares, check over-riding the stage paid for, and generally be helpful to would-be passengers. The present proposal is that the total bonus should be based on the improvement of the receipts of the whole fleet over receipts in the corresponding period in a base year, and that this total should be distributed between crews as so much in the pound on the actual cash each crew pays in. In calculating the improvement in total receipts, allowance would have to be made for any changes in the total number of duties scheduled and in the fares charged.

120. A scheme of this kind was worked out in 1960 in consultation with the Negotiating Committee, which recommended it to the conference of union delegates from the garages, but this delegate conference did not accept it. On two later occasions the proposal was again put forward but not taken up. The main difficulties that Union members found in the scheme were that it would make for differences between crew and crew and between garage and garage, and that it would incite crews to depart from the schedule in order to compete with one another for receipts, or induce drivers delayed by traffic to take risks to catch up. It was also felt that the very proposal to provide an incentive implied that crews were not doing their job as it was. "The suggestion", it was put to us for the Union, "that (the conductor) should receive a bonus payment to collect more fares is to admit that he is not collecting them properly at the moment, or that he is not doing his best to collect the fares he should. The same thing would apply to the driver in running to time on the route." Public opinion among the busmen condemned any who deliberately missed passengers or did not run to time, as not doing their job of work. "If a driver runs ahead of time deliberately in order to get nearer to the driver in front, then that chap is dealt with in his own branch." No transport undertaking in any other part of the country had yet found an acceptable scheme. None the less, the Union now stated to us that "they have not on principle been against consideration of bonus schemes, but they have a contribution to make with regard to such schemes and would hope that by good will on both sides there might be such a scheme acceptable to both parties and in the interests of the travelling public".

121. We have taken account of a number of objections to any such scheme. Some of these objections attach to payment by results or a bonus on takings generally, others to the particular application proposed here. One general objection arises from the complexity of the reckonings involved. The scheme now proposed, for instance, would involve a formula which would compare current takings with those of a base period, and provide adjustment for changes in the routes and duties worked and in the level of fares. A complicated formula is liable to arouse suspicion and to be misunderstood.

However complicated, moreover, it may not provide for all the changes of circumstances that will in fact come about: as time goes on it may produce unintended results, and have to be withdrawn or reformulated, to the immediate disadvantage of one or other party to it. In industry at large there has been an awareness in recent years of the drawbacks of bonus schemes, and some movement back to time rates, sufficient to impose caution on those proposing to bring a new scheme in now. Besides these general objections, there are two that apply particularly to the bus service. One is that the bonus might tempt drivers into sharp practice—racing, perhaps, to be first at the next stop, or holding back to let the queue there build up. The other is that there would be substantial disparities, for reasons outside the crews' control, between the bonuses of one crew and another, or of the same crew in different weeks: though it is true that these disparities would go with corresponding inequalities in the amount of work got through.

122. These objections are weighty; but two considerations on the other side seem to us to outweigh them. We have been impressed, first, by the extent to which the service a crew provides depends upon its own care and exertion. The driver can handle his bus with more or less regard for its mechanism, with more or less consideration for the passengers, with more or less concern to keep to schedule. The conductor can be more or less thorough in collecting fares from passengers and in checking passengers over-riding the stage they have paid for; he can be more or less willing to find places for would-be passengers at busy times; at all times his bearing does much to decide whether the public will be deterred from using the service or attracted to it. In all this, moreover, driver and conductor are very much on their own. They are not members of a group that sets and keeps its common pace. They are not paced by the machine. They are subject to spot check by inspectors, but not to continuous supervision. Where so much is left to discretion and depends on willingness, it seems natural to link earnings with performance. We accept the view of the Union that most busmen feel an inherent obligation to do a good job of work; but we do not think it any reflection on their standards to provide that higher achievement will bring higher earnings. We have taken account of the likelihood that if basic rates are right and the staff shortage is ended, disciplinary action against the minority who are not disposed to do a good job will be more effective than it can be now; but a bonus scheme would provide a positive as well as a negative incentive. The second consideration that has moved us in favour of a bonus based on takings is closely linked with the first. The proposal for it has reached us from the public as well as from the Board, and it would come to bear just at the points where relations between the public and the busmen seem too often of late to have become strained.

123. We conclude that the balance of advantage lies definitely with the adoption of a bonus scheme, and we welcome the expressed willingness of the Union to try to work out with the Board a scheme acceptable to both. We recommend the parties consider the advantages of a scheme in which the bonus would be based upon the aggregate takings of each garage, and divided between the crews in proportion not to their own particular takings but to their rostered earnings. As in the Board's scheme, the amount of the bonus might depend upon the improvement of an aggregate of current receipts

over those of the corresponding period in a base year, but the aggregate would now be reckoned separately for each garage. This would allow of differences in the rate of bonus between one garage and another, but it would give the crews of each garage a greater sense of being able to increase the bonus than when its amount depended on the takings of the whole fleet. Within each garage, moreover, there would now be no differences between crews except such as were proportional to the amounts of work they had done as measured by their rostered earnings. The individual incentive would certainly be less powerful than if the bonus were divided proportionately to the takings of individual crews, but this would be an advantage in so far as it removed the risk of irregular running through competition between crew and crew. Instead, the setting and maintaining of a high standard of service might be supported by the common knowledge of the crews associated in each garage that the amount of their bonus depended on the work of each and all. Many of the uncertainties attendant upon the introduction of a scheme of this kind might be dispelled by an experimental application in a limited number of garages.

Safety Allowances

124. The second element in the scheme of efficiency payments is an increase of safety allowances. These allowances are paid at present in respect of safety awards from the Road Operators' Safety Council, at the rate of 2s. a week to a driver, and 1s. 6d. to a conductor, for each full five years' safety award held. The Board now proposes "a significant alteration to the benefit of staff in the payments for safe driving", and we welcome this proposal.

Technical Improvements

125. The third head of the Board's proposals—changes in the size and type of buses and in their operation—covers a number of projects. One is the use of *bigger buses with more seats*. The present standard bus in the Central service is the Routemaster with 64 seats: the Board now proposes to make experiments with the object of introducing a standard double-decker with 70 seats or more. The increase in the number of seats has been made possible by a recent change of regulations extending the permissible length of the double-decker to 30 feet, and by a change of design which brings the entrance to the front. Here the power-operated doors can be controlled by the driver, and this relieves the conductor and gives him more time to collect fares from the greater number of passengers. The larger bus can effect a substantial economy in working because it enables a given number of passengers to be carried, within a given period of time, by fewer buses and crews. This implies that the frequency of the service will be reduced and, in certain conditions, the average time of waiting at the bus-stops will be increased; but this is a matter of degree, and (as we have noted above) the Board would plan to provide 10 per cent. more seats in the peak altogether.

126. The Board now operates 183 *one-man buses* in its Country service. It believes that there is considerable scope for extending the use of one-man buses into the suburban fringe of the central area, and that the total number so employed might eventually approach 600. The Board also proposes to extend widely the use of one-man buses in the Country service. Some

of the additional buses would be single-deckers, like all those in one-man operation at present, but the Board considers that a double-decker with front entrance, designed so that the upper deck could be shut off and the fares taken by the driver, would best match the pattern of much Country traffic by providing two-man operation during the peak and one-man at other times ; and it considers that perhaps as many as 700 of these vehicles could in time be brought into use in the Country services—which at present use some 950 buses in all. The Board also wishes to experiment with a procedure now under trial in Paris, by providing a few further one-man buses to operate certain express services.

127. The *standee buses* are meant to meet the needs of the service where and when large numbers of passengers need prompt transport over a short distance—for example, between Victoria and Piccadilly, or London Bridge and Moorgate. Single-deck buses have been designed for such a service, one to carry 31 seated passengers and 36 standing, another 30 seated and 60 standing. A difficulty in operating such services is that a conductor would not have room or time to go round taking fares in the usual way, but taking fares as passengers enter holds the bus too long at the stop. Two ways have been proposed of obviating this. One, where fares vary with the stage to be travelled, is to provide a platform at the rear on which some of the passengers can stand initially and from which they can proceed into the main compartment after the bus has moved off, taking their ticket from a seated conductor on the way. The second arrangement, possible only where a standard fare is charged, is to have no conductor, but for passengers to pay as they are admitted by passimeter.

128. The Board proposes that allowances should be negotiated with the Union for the operation of new types of bus. These allowances, it will be remembered, together with the proposed bonus scheme and enhanced safety awards, make up what the Board has called a "system of efficiency payments designed to ensure that the bus crews would share with the public the benefits which can be derived by improvements in operating efficiency". Allowances are paid at present to drivers operating one-man buses in the Country services—for buses with 26 seats, for example, the allowance is 2s. 5½d. a day, for those with 39-45 seats it is 4s. 11d. a day.

129. Since the War the Board and its staff have together carried through two great changeovers of vehicles—from the tram to the R.T. 56-seater bus and from the trolleybus to the Routemaster 64-seater bus which is now being brought in to replace the R.T. vehicle. But on two proposed developments the Board and the Union have not been able to reach agreement: the introduction of standee buses, and the extension of one-man buses to the suburban fringe of the central area. The Union has stated to us that when the 64-seater Routemasters were to be brought in, the Board proposed that they should replace the 56-seaters by less than one for one, and that the drivers and conductors on them should receive an allowance of 9s. 2d. a week ; the Union required that the replacement should be one for one, on which condition its members would operate the Routemasters without allowances. The Union has also stated to us that in negotiations for the introduction of the RML 72-seater on Route 104 from Barnet to Moorgate, the Board proposed a lower frequency, with a saving of crews that would make it possible to pay a productivity bonus to the remaining crews on the route ;

but the Union contended that the frequency should be maintained, and that the harder work on the bigger bus should be compensated not in money but by a shorter time on duty. In the event this was done, average time on duty being reduced by 20 minutes. Similarly, when in December 1961 a joint sub-committee discussed the introduction of larger buses and one-man buses, the Board offered special payments to their crews, but the Union would accept only a reduction of time on duty to 7 hours, and agreement was not reached. "In February 1963", in the words of the Board, "during the course of wage negotiations a higher increase in pay was offered in exchange for co-operation in the promotion of efficiency; on this occasion the men preferred a lesser flat increase rather than acceptance of the principle of increased productivity."

130. Clearly there has been a basic difference between Board and Union in their approach to technical developments. The view of the Board, as we understand it, is that these developments should be used to reduce the cost of providing services, and generally this will mean fewer crews: the resultant savings should be divided between the public and the remaining crews, who should be paid allowances for operating the new equipment or methods. The view of the Union appears to us to be that technical developments must not be used to reduce the frequency of service; and that the busmen's compensation for any extra effort and responsibility, and their share of any gain in productivity, should take the form of shorter hours rather than cash allowances. We should like to examine the two parts of the Union's view in turn.

131. In its opposition to any reduction of the frequency of service, the Union maintains that it is above all the frequency of service, as distinct from the total number of seats provided in a given period, that attracts and holds the public. A Union spokesman put it to us that "it does not matter how big the bus is if it is not there at the right time for the potential passenger; there is no contentment in the passenger's mind that he is in a 70-seater vehicle instead of a 60-seater vehicle, unless the bus comes along at the right time, that is what he wants". To support this, Union spokesmen laid emphasis on the would-be passengers who, in their experience, walk away rather than wait: in particular "the short distance rider, who is the mainstay of the bus services, will not be convinced of the virtues of the bigger bus if it means a longer wait".

132. The Board's appreciation of the effect of frequency of the service on its attractiveness to passengers distinguishes between traffics according to their density. "In the peak hours", the Board told us, "... the test that we apply is, how much accommodation or how many seats do we need to provide to lift the people? In the off-peak periods ... there is no question of the number of seats to be taken into account: the test is, what frequency of bus is appropriate to the public demand? ... The larger bus, the standee bus can help in the peak to satisfy the demand. ... In the off-peak hours it does not really matter whether we have a larger bus or not because it is not the number of seats on the bus that decides the quantity of service, it is the frequency which is the important point."

133. The principle of "no reduction in frequency of service" implies "no reduction in the number of crews on the route", that is, no reduction in employment. It would be surprising if, in an industry where in the last

ten years employment has fallen by more than 25 per cent. (see Appendix 6) men did not have that implication very much in their minds—even though there has been no redundancy. That resistance to reduction in employment is an aim in itself is suggested by the reluctance to extend one-man operation, where the question of frequency does not necessarily arise. Where there is a staff shortage, an immediate effect of a reduction in frequency is to reduce opportunities for voluntary overtime; a spokesman of the Union denied to us that this had been a reason for advocating "no reduction in frequency".

134. We think that the issue of frequency must be judged in its relation to the object of maintaining and enhancing the attractiveness of the bus service. We have therefore had regard to the possibility not only of providing the same number of seats as before in a given period of time while reducing costs by using bigger buses, but of attracting passengers to the service by providing more seats in all. We would accordingly wish to see the economies of operation offered by the larger bus experimented with as a means not only of providing an existing service at a lower cost but also of providing a fuller service at the existing cost. We think it might often be a false economy for reductions to be made in frequency even when and where the inflow of passengers is greatest if these reductions involved corresponding reductions in other parts of the area or times of day. But we agree that at the times and places of concentrated inflow of passengers the frequency of the service is a consideration secondary to the number of seats provided in a given period of time, and that here the bigger bus can effect a real economy. We therefore are clear that "no reduction in frequency" cannot be made an invariable principle. To insist on it in all circumstances would prevent economies being realised that have their own contribution to make to maintaining the service.

135. In our view of the busmen's approach to technical developments, the maintenance of employment has appeared as an object distinct from and more significant than the avoidance of unemployment. The reduction in employment through the past ten years has in fact been accompanied not by redundancy but by staff shortages. None the less, wherever improvements are proposed that will economise the use of labour the question presents itself of what is going to happen to those displaced. We therefore welcome the statement made to us on behalf of the Board that the same undertaking concerning the provision of alternative employment and of severance pay as was made in the conversions from tram and trolley-bus would be available for the changes now in prospect, and we hope that this undertaking would be made explicit at the outset of the negotiations.

136. We said that the Union's approach to technical developments had two parts, of which the second was the view that the busmen's compensation for any extra effort and responsibility, and their share of any gain in productivity, should take the form of shorter hours rather than cash allowances. In submitting extracts from minutes of past discussions of technical development, a Union spokesman told us they showed "that as far as this organisation is concerned we have been concerned mainly with one issue, that is that if we were to accept technical developments as such, they would have to be on the basis of some arrangement which would alleviate the possible hardships they would impose upon the staff by means of a shorter working day, as against the general opinion of London Transport that the savings

arising from the introduction of technical developments should be paid in cash to the crews". There seem to be three reasons for this approach. One is that a reduction in hours is the necessary condition of maintaining the number of crews employed when technical developments enable a given service to be provided with fewer man-hours; we have already discussed the principle of maintaining employment in such cases. A second reason, expressed in the evidence quoted above, is that where greater effort is required—as, for instance, where the conductor has more fares to collect—there should be an offset in shorter hours. This is very natural, and we note that the Board proposes to accompany its programme of technical improvements with a phased reduction of the working week. It is in the nature of things, however, that in so far as the economies of technical development are drawn upon to keep up earnings while hours are reduced, they cannot at the same time finance allowances for new duties. The third reason is that the proposed allowances would be paid at first only to the minority who operate the new equipment as it is introduced. We note that the principle of special allowances is already applied to one-man buses. If the Union would prefer that economies derived from particular technical improvements were drawn on for general rises in pay rather than special allowances, we see no reason why such an arrangement should not be negotiated.

137. It is an advantage of not tying special allowances to particular innovations, that it would make experimenting with them easier. We think it most important that there should be freedom and willingness to experiment in this way. The objects of the experiment would be to see how the new type of bus or operation worked in practice from the point of view of the operating management and the crews, and to find how it suited the public; and in all these respects to see what adaptations might fit it for wider application. These objects would be easier to pursue, if they were separated from the negotiation of special allowances.

Standing passengers

138. We think it is for consideration whether the carrying of a limited number of standing passengers might not be permitted at all times and not merely at peak hours.

THE COST AND ITS IMPLICATIONS

139. We may now attempt rough estimates of the financial implications of the various proposals discussed. These estimates, which we have made from information provided by the Board, are expressed in terms of changes from the position in the latter part of 1963 before the settlement of 18th December, and adjusted to exclude the effects of the ban on voluntary overtime. London Transport as a whole, including both bus and underground services, is estimated to have been earning at that time a balance of revenue of about £3½ million a year, defined in the same way as its "target" of £4 million.

140. The estimated financial effects of the various proposals for the bus services may be summarised as follows :—

TABLE XVII
FINANCIAL EFFECTS OF THE BOARD'S PROPOSALS

£ million annual rate

	Increases in costs	Savings	Increases in revenue
<i>Short term</i>			
(a) Settlement of December, 1963	1.4	—	—
(b) Proposed further improvements:—			
5-day week and longer holidays—wages of additional staff	2.3	—	—
Improved safety allowances	0.2	—	—
Improved sick pay and pensions	0.5	—	—
First instalment of efficiency payments, 10s. a week	1.0	—	—
Total short-term	5.4	—	—
<i>Gradual</i>			
(a) Additional 2,500 (7%) staff made possible by improvements:—			
Resulting extra wages	2.0	—	—
Resulting savings in voluntary overtime (now about £3m.)	—	1.7	—
Resulting savings in training costs	—	0.2	—
Resulting increase in revenue (£1.2m.) less additional non-wage costs (£0.2m.) from restoring 9m. (3%) vehicle-miles now lost because of staff shortage	—	—	1.0
(b) Introduction of new operating methods, for which efficiency payments offered:—			
Resulting staff savings of 1,400, or 4%	—	1.5	—
Remaining instalment of efficiency pay- ments, 15s. a week	1.5	—	—
Total gradual	3.5	3.4	1.0
Total short-term and gradual	8.9	3.4	1.0

Total effect on Net Revenue at December, 1963, fares—a reduction of 4.5.

141. The short-term effects of the interim pay settlement of December 1963, and of the other proposals discussed above, including the introduction of a 5-day week, add up to an annual increase in wage costs of £5.4 million. Against this we can set no precise figure of immediate gains. But looking further ahead, we can reasonably expect that these and other projected increases in costs will be in part offset by savings and by gains in traffic receipts. These benefits will at least in part be due to the changes entered under the short-term, but we think it prudent to take credit for them only in the longer run. There is every hope that the immediate improvements in pay and conditions will make it possible to attract and retain more staff. An additional 2,500 staff (an increase of 7 per cent.) is suggested by the Board as a reasonable basis for calculation. The extra cost of their wages would be more than recouped by savings in voluntary overtime worked by the existing staff, by permitting the operation of additional vehicle-miles now impossible because of staff shortages, and, to the extent that staff turnover is reduced, by saving on the costs of training.

142. Finally, the introduction of the second instalment of efficiency payments is planned to go hand in hand with the introduction of new operating methods from which there will be economies in staffing. The efficiency payments should thus be self-financing. The introduction of any scheme for a bonus on takings (paras. 119-123) should similarly be regarded as mostly self-financing.

143. So far as these calculations go, the result would, however, be a substantial net increase in costs—an increase estimated at £4½ million. By the time the full effect of the proposals is felt the balance of revenue will be reduced from its annual rate of £3½ million in late 1963 to an annual rate of deficit of about £1½ million.

144. For a complete assessment of the implications, we must also take into account the rest of the Board's operations. Recent increases in the pay of underground and engineering staff are estimated to add another £2½ million to annual wage costs; this brings the calculated rate of deficit to £3½ million. To reach the target surplus of £4 million would therefore require an increase in revenue, from bus and underground services together, of the order of £7½ million a year, compared with revenue at the end of 1963. Indeed, the figure should probably be put higher if the aim is to recoup over a period the larger deficit likely to be suffered this year, when the incidence of extra costs will precede the expected gains in savings and higher revenue.

145. The Board has, however, already raised the minimum fare, on both buses and underground, from 3d. to 4d. (as from 1st March, 1964). This is expected to yield increased revenue at an annual rate of £2.7 million, of which about £2.5 million will accrue to the bus services, which carry the bulk of the shortest distance traffic. The gap to be covered by further increases in revenue is thus reduced to about £4½ million, on annual takings of nearly £100 million from bus and underground services together.

146. If past trends were to continue, we would have to assume that a rise in fares would, as in the past, result in further losses of passengers from the buses. To restore the £4 million surplus in circumstances of declining use of buses and unreliable services would require significantly more than a 5 per cent. rise in fares, and would add to the difficulties of solving the wider problem of London traffic, by repelling more passengers from public to private transport. But we have reason to expect that the trends of the past will be changed. First, the control of car parking is making the use of cars for commuting increasingly difficult. Second, and more important, we believe that the proposed improvements in the bus services will yield increases in the keenness of the staff and in the efficiency of operations that will add to the revenue of London Transport not by raising its price but by increasing its use.

147. In so far as some rise in fares is unavoidable, we are satisfied that it must be regarded as the price to be paid for an adequate service. In our Interim Report (para. 46) we remarked that "the cost of providing the passenger-mile cannot be kept down by paying less than will retain the staff needed to provide it. The evidence of the Transport Users' Consultative Committee for London has made clear how much inconvenience and hardship the staff shortages have meant for the public; and we note that in their

report for 1961 the Committee said that they 'consider it is in the best interests of the public to establish and maintain, as far as possible, the economic price for public transport, which assists in avoiding the inconvenience and hardship which inevitably accompany intermittent failures in the standard of service offered' (paragraph 65)." We believe that the public will understand and not object to a rise in fares in so far as that is indispensably necessary to provide a better service. But we would stress that a rise in fares is not to be regarded as an automatic consequence of an improvement in pay and conditions, or as offering any easy way out to Board and Union. It is their duty and interest to do all they can to keep the rise in costs down by raising efficiency, and to increase receipts by making the service more attractive.

PART III

THE NATIONAL INTEREST

Possible Repercussions

148. Our terms of reference require us to review the pay and conditions of employment of the London busmen in the light of the likely repercussions of any changes in other employments. Within the Board's own employment, the only immediate repercussion of a rise in the pay of bus drivers and conductors will be on the pay of the road operating supervisory and control staff, and in calculating the cost of a given rise for drivers and conductors the Board have taken into account a rise for this supervisory staff sufficient to maintain its cash differential. Any reduction of the working week would similarly apply also to the supervisory staff. The other employments most closely related to the Board's drivers and conductors are the other two sections of the road passenger transport industry—the municipal buses and the company-owned buses. Of the more than 200,000 drivers and conductors in the whole industry, less than 35,000 are at present employed by London Transport, nearly 70,000 by the municipalities and about 100,000 by the companies. Most but not all of the municipalities are covered by one negotiation and almost all companies by another. Although the London busmen are numerically much the smallest of the three groups and their circumstances are by no means always the same as those of busmen elsewhere, it is their wage settlements that in recent years have generally though not always preceded those of the other two, so that they may be said to have taken the lead in the industry. The levels of pay in the different sections are different; the amounts of the rises, not only in cash but proportionately, have also been different, and the relation has varied from time to time, the proportional rise being smaller in London than in the other two sections from 1945 to 1958, and greater thereafter. The only busmen whose circumstances of employment we have examined are those of London, and our conclusions have been reached with regard to these circumstances alone.

Considerations affecting National Economic Growth

149. Under our terms of reference we are also to pay due regard to the considerations affecting national economic growth. These bear upon our recommendations in two ways. The first is that the rapid increase of traffic in towns in the course of the economic growth of the coming years threatens

congestion and mounting costs of living and working in towns; and that it is now generally agreed that a necessary part of plans to avert this threat arising out of economic growth is to provide a public transport system adequate to meet increasing claims upon it and an effective alternative to the private car.

150. The second way in which considerations affecting national economic growth bear upon our recommendations is of wider application. Those concerned with any rise in pay must remember that if the rise in money incomes in the whole economy exceeds that of productivity, the consequent rise of costs and prices not only moves up a spiral of inflation at home, but threatens our trade abroad; and that renewed trouble with the balance of payments will renew the checks to economic growth. At present the rate of rise of money incomes compatible with stable prices is recognised as being not more than $3\frac{1}{2}$ per cent. a year. We have come to the conclusion that the pay of London busmen as we found it should be raised by substantially more than $3\frac{1}{2}$ per cent. The considerations that have led us to this conclusion seem to us also to show that it is not in conflict with national incomes policy. We see the present raising of the pay of the London busmen not as part of an annual improvement in which all may expect to take part in much the same degree, but as a non-recurrent adjustment of the position of the busmen in the London wage structure, and the removal of an accumulated anomaly. That the position as we found it was anomalous, moreover, we judged not by comparison with customary relativities or the structure at some earlier date, but by the test of the ability of current rates of pay to attract and retain the required labour force. In our Interim Report we remarked (para. 47): "*The White Paper on Incomes Policy: the Next Step* (Cmd. 1626, February 1962) says in paragraph 8: 'In a fully employed economy there are bound to be scarcities of many kinds of labour. A shortage of labour within a particular industry or firm would not of itself warrant an increase in pay. It is only where the building up of manpower in one industry relatively to others, or the prevention of a threatened decline, is plainly necessary that an increase on those grounds could be justified.' It is more than the prevention of a threatened decline that is our aim here: the existing decline must be arrested." The need to keep the rise in money incomes within limits cannot be met by holding the pay of a particular service down to a level at which it cannot attract and retain the labour force required to meet the demands upon it.

151. But more than this. It may well be pointed out that the inability of an industry to attract and retain the required labour force may be a sign not that pay should be raised but that the industry should contract: to say that a certain labour force is "required" in any one industry begs the question of how the whole labour force of the nation should be deployed between different industries so as to obtain the greatest possible national product. This we accept. But we have a twofold reason for holding that the labour force required in the London bus service is at least as great as the present establishment, namely the statutory obligation laid upon the Board to maintain an adequate service, and the accepted principle that the maintenance of the bus service is an indispensable means of preventing the choking of towns by traffic in an area of growing car ownership.

PART IV

CONCLUSION

152. In reviewing the pay and conditions of the London busmen we have arrived at a diagnosis of present problems that in its essentials was anticipated by the Chambers Committee when they studied the problems of nine or ten years ago. In summarising their conclusions they said, in January 1955:

"Unless, in fixing remuneration, London Transport take into account the remuneration for staff at all levels in comparable employment in industry it will be impossible to attract and retain the right men and women. We have been impressed by the loyalty, ability and public spirit shown by the present staff. If there is a decline from the present standards the long-term effect upon London Transport will be serious. If the present policy, which in our judgment produces a false economy, is maintained, there will be a chronic inability to get staff of the right quality and a fall both qualitatively and quantitatively in the standard of service given by London Transport, which in turn will encourage the use of other forms of transport with its attendant consequences for London Transport in the shape of diminished revenue, increased traffic congestion and difficulty of operation." (paras. 461, 462).

Events have in fact taken the course apprehended by the Chambers Committee. But we have found a present willingness to change the position and make a real effort so far as it lies in the power of Board and Union to restore the quality of the service.

153. The Board has worked out detailed proposals for improving the London bus service through betterment of the pay and conditions of employment of the busmen and through the technical development of vehicles and operating methods. We welcome this initiative and emphasize how greatly it can help to meet the needs of London.

154. It is the aim of the busmen too that the service should be improved. The troubles of recent years have borne hard upon them in many ways—they have had the discouragement of seeing their service lose ground year by year, they have had the frustration of being unable through no fault of their own to maintain a full and regular service, they have felt the resentment of the public at the service's shortcomings, and withal they have seen their earnings lag behind those of comparable employments in London. It is understandable that their attitude to proposed changes should have become defensive. But the Union has told us that it "has always been prepared to meet and discuss with the Board efficiency measures designed to improve service to the travelling public, together with better working conditions for the staff". We believe that the London busmen have before them now a real opportunity to work such improvements out.

155. The future of the London bus service now rests in the hands of the Board and the Union as representing the busmen. We think it of the utmost importance for both to meet the many difficulties that face them with a readiness to examine and experiment with new methods and to adopt them. The evidence has convinced us that there are real potentialities here. The task cannot be postponed if London is to have the better transport service it urgently needs.

156. We cannot complete our report without recording our indebtedness to our Secretaries and their assistant Mr. R. J. Dawe of the Ministry of Labour, whose services throughout our inquiry, including some times of no little pressure, have been given most helpfully and willingly.

HENRY PHELPS BROWN (*Chairman*).

HADLEY J. BUCK.

ALEX SAMUELS.

CHRISTOPHER T. SAUNDERS.

RON SMITH.

I. A. G. GILLIES }
W. R. B. ROBINSON } *Joint Secretaries.*

28th February, 1964.

APPENDIX 1

ORGANISATIONS WHICH SUBMITTED EVIDENCE IN WRITING TO THE COMMITTEE

We received evidence in writing from the following organisations :—

- Joint Transport Sub-Committee of the Ealing, Hayes and Southall Trades Council
- Hampton Council Tenants' Association
- Harben Estate (Hampstead) Tenants' Association
- Harrow Passenger Transport Users' Association
- London and Home Counties Electric Traction Society
- London District Committee of the Communist Party
- London Passenger Transport Campaign Committee
- National Union of Townswomen's Guilds
- Sutton and District Trades Council.

APPENDIX 2

AMENDMENTS TO THE INTERIM REPORT

Paragraph 16, last line (page 5)—Delete "Sundays" and substitute "Saturdays".

Paragraph 19, line 1 (page 5)—Delete "increasingly".

Table 2 (pages 10-11)—

- (i) The dagger sign (†) footnote should be amended to read "Plus 2s. 5d. a day when driving over 2 hours per day". The sign should be placed against the rates for the Postmen on maximum (page 11) and should be deleted from the rates for G.P.O. mail van drivers (page 10).
- (ii) The sign § should be placed against the rates for the London Transport Motormen on maximum in addition to being placed against the rates for British Railways engine drivers on maximum.

Table 3 (page 13)—For the years 1959 and 1960 the figures for the "Establishment" should read 16,024 and 15,845 respectively and the figures for "Number Employed" should read 15,503 and 14,177 respectively.

Table 4 (page 13)—For the years 1958, 1959 and 1960 the figures in the column "Changes in the number employed during year" should read—1,501,—1,326 and—623 respectively.

RELEVANT PROVISIONS OF THE TRANSPORT ACT 1962

The London Board

PART I
Duty and
powers of
London
Board.

7.—(1) It shall be the duty of the London Board in the exercise of their powers under this Act to provide or secure the provision of an adequate and properly co-ordinated system of passenger transport for the London Passenger Transport Area, and to have due regard to efficiency, economy and safety of operation as respects the services and facilities provided by them.

(2) The London Board shall co-operate with the Railways Board for the purpose of ensuring that the services provided by the London Board are properly co-ordinated with the railway services of the Railways Board in the London Passenger Transport Area, and shall afford to the Railways Board such information of proposed changes in their services, and such opportunities for consultation, as the Railways Board may reasonably require for that purpose.

(3) Subject to this Act, the London Board shall have power to carry passengers by rail and road inside the London Passenger Transport Area and, in the circumstances specified in the next following section, to carry passengers by road outside that Area.

Financial provisions

18.—(1) Each of the Boards shall so conduct their business as to secure that their revenue is not less than sufficient for making provision for the meeting of charges properly chargeable to revenue, taking one year with another.

Financial
duty of
Boards.

(2) Each Board shall charge to revenue in every year all charges which are proper to be made to revenue, including, in particular, proper provision for the depreciation or renewal of assets and proper allocations to general reserve, and the reference in subsection (1) of this section and other references in this Act to charges properly chargeable to revenue shall be construed accordingly.

(3) Without prejudice to the Board's powers to establish specific reserves, each Board shall establish and maintain a general reserve.

45.—(1) The Transport Tribunal shall, subject to and in accordance with the provisions of this Part of this Act, have power to make orders as respects the following charges of the London Board and the Railways Board, that is to say—

PART III
Transport
Tribunal's
power to
make
orders.

(a) charges for the carriage of passengers by railway on journeys wholly within the London Passenger Transport Area, and

(b) charges for the carriage of passengers by road on routes wholly or partly within the London special area except—

(i) charges for any service or part of a service which is the subject of a road service licence, and

(ii) charges for carriage in contract carriages,

and any such order may include provisions as to the luggage which a passenger is entitled to take with him and as to the charges, if any, to be made in respect of that luggage.

(2) An order under this section may vary or revoke the charges scheme continued in force by the last foregoing section or any previous order under this section, and the said scheme and any orders for the time being in force under this section are hereinafter referred to as "the London fares orders".

(3) Any order under this section shall comply with the following requirements, that is to say—

(a) it shall fix maximum charges except in cases where it appears not to be reasonably practicable or to be undesirable so to do;

- (b) in cases in which no maximum charge is fixed it shall authorise the making of such charges as may be reasonable and provide for any questions as to the reasonableness of any such charge being determined, on the application either of the Board making the charge or of the person liable to be charged, by the Transport Tribunal, to the exclusion of any other court;
- (c) it shall, save as aforesaid and subject to the provisions of this Act, secure that the charges to be made are left to the discretion of the Board concerned and that no limitations are imposed on that discretion;
- (d) it shall secure that the Board concerned have to publish maximum charges but do not have to publish any other charges.

(4) In exercising their power to make orders under this section, the tribunal shall do nothing which will in the opinion of the tribunal prevent the London Board and the Railways Board from levying charges which make a proper contribution to the discharge of their financial duty, taking into account their present circumstances and future prospects and any directions given to them by the Minister under this Act.

In this subsection "financial duty" means the duty imposed by subsection (1) of section eighteen of this Act and includes, in the case of the Railways Board, the duty imposed by subsection (4) of section twenty-two of this Act.

46.—(1) An application for an order under the last foregoing section may be made to the Transport Tribunal—

- (a) by the London Board or by the Railways Board, or
- (b) by any representative body,

and shall be accompanied by a written case in support of the application.

(2) The London Board and the Railways Board may make a joint application under this section.

(3) The Transport Tribunal shall not entertain any application under this section by a representative body where in their opinion the application relates to a matter—

- (a) which has been the subject of consideration by the tribunal within the twelve months preceding the making of the application, or
- (b) which is of such magnitude that it should not be dealt with except as the result of such a review as is provided for by the next following section.

(4) The London Board and the Railways Board shall make such applications under this section as appear to them to be necessary in order to secure that their charges subject to the London fares orders make a proper contribution to the discharge of their financial duty, taking into account their present circumstances and future prospects and any directions given to them by the Minister under this Act.

In this subsection "financial duty" has the same meaning as in subsection (4) of the last foregoing section.

48.—(1) If it appears to the London Board or the Railways Board that there has been or will be an increase in costs or a fall in revenue which will seriously affect their financial position unless met quickly by an increase in their charges subject to the London fares orders, they may by notice published in the London Gazette and in such other manner as may appear to them best adapted for informing persons affected, declare that all or any of their maximum charges fixed under the London fares orders are to be treated, as from a date specified in the notice, as increased by such amounts as may be so specified in relation to those maximum charges respectively; and the notice shall have effect notwithstanding anything contained in, or having effect under, the foregoing provisions of this Part of this Act.

(2) A notice under this section shall contain a brief statement of the grounds on which it is given.

Applica-
tions for
orders.

Special
procedure
for
temporary
authorisa-
tion of
increased
charges.

(3) Neither of the Boards shall, by means of a notice or notices having effect at any one time under this section, make increases in charges which appear to them to bring about an increase in their revenue from charges subject to the London fares orders exceeding ten per cent.

(4) Within one month, or such longer period as the Minister may allow, from the publication of a notice under this section in the London Gazette, the Board by whom the notice was given shall apply under section forty-six of this Act to the tribunal for the alteration of all or any of their fares subject to the London fares orders (whether or not all or any of those specified in the application were the fares affected by the notice).

APPENDIX 4

EVIDENCE PROVIDED BY THE LONDON TRANSPORT BOARD CONCERNING THE RECOMMENDATIONS BY THE CHAMBERS COMMITTEE (1955) INVOLVING ACTION BY THE BOARD, SO FAR AS THESE RECOMMENDATIONS RELATED TO THE BUS SERVICES

Paragraph of Chambers Committee Report

- 404 *Private operators to be allowed or even encouraged to undertake certain minor services where London Transport can only provide them at a substantial loss.*

There are twenty cases where private operators are running stage carriage services wholly or partly within the "Special Area", on the basis of consents granted since 1955, but there are nearly as many cases where private operators, having received consent and operated the services, have subsequently discontinued them as unprofitable.

In general, London Transport do not object to other operators providing services for which there is a need that is not already catered for and which the Board could only provide at a substantial loss. The number of such services which other operators can run at a profit is very limited.

- 409 *Extension of system of contracts where a concentrated service is needed for short periods only.*

The Board cannot normally compete with other operators in this field. Their overheads are lower; they generally use one-man operated vehicles and often vehicles which would otherwise be unemployed in weekday peak periods.

Provision of additional services at peak periods, whether or not on a contract basis, means the employment of extra vehicles and crews for which there is no work at other times. Certain "guaranteed journeys" are, however, run by London Transport specially for football matches, dog races and sporting events; most of these have been introduced since 1955.

- 410 *Provision of better all-night services, with higher fares than in day-time.*

Traffic on night bus services is declining and all these services run at a loss. As recommended by the Chambers Committee, an application was made for the necessary charging powers for higher fares on these services, but these powers were refused by the Transport Tribunal.

The demand for night services is limited, and the number and frequency of the services that can be justified cannot compete for convenience with private transport, unhampered by traffic congestion or parking difficulties.

- 412 *Effects of withdrawal of early morning fares on peak travel conditions to be considered.*

Early morning fares have been eliminated gradually over a number of years: they were withdrawn progressively from the lower mileages upwards, until the last were eventually eliminated, under authority of the Transport Tribunal, at the end of 1961. The withdrawal of early morning fares had had no perceptible effect on peak hour conditions.

A cheap daily facility on Mondays to Fridays from outer suburban stations to the centre of London was introduced in November 1959, limited to use outside the peak two hours in the morning and evening. Five-day off-peak tickets at a rather cheaper rate were also introduced between the same points. Since June 1963, the facility has been extended, and the range covered is now roughly six miles and beyond from the edges of the Central Area, while the daily off-peak tickets are now also available all day on Saturdays and Sundays.

- 417 *Extension of practices of (i) turning buses short of the centre of London so as to concentrate on stretches of routes where traffic is heavier and (ii) turning buses where traffic congestion has caused bunching in one direction and gaps in the other.*

Since 1955, localisation schemes have been introduced on 18 routes, with the object of keeping some of the buses on these services in the suburbs away from the worst congestion in the Central area. Traffic congestion now is as bad, if not worse, in the suburbs than the centre and the scope for extending the localisation is limited.

The device of turning buses short in one direction to fill gaps that have occurred in the other direction is widely used. The extent to which it can be done is, however, limited by the maximum length of the spells of duty that the staff can perform, and by the need to maintain an adequate "through" service.

- 418 *Experiments to be carried out with special short-distance services between pairs of major traffic points in Central London, with fixed fares and distinctively coloured buses (possibly of "standee" type).*

Discussions with the Transport and General Workers' Union on the possible introduction of "standee" buses for services of this type have not so far resulted in agreement for their operation, but tenders for experimental "standee" buses have been invited.

- 419 *Greater variation of bus timings between periods of traffic congestion and other periods when greater speed is practicable.*

Increased running time is given to services running in the Central London Area in the peaks, and since 1955, the period in the morning peaks during which this extra running time applies has been extended.

Greater variation is, however, not easily practicable nor necessarily effective. Investigation shows inconclusive results, and no consistent delays day by day on individual journeys. Vehicles would in consequence have to either "crawl" or run early if not delayed to the extent anticipated. The resultant time-tables would also require the allocation of additional vehicles and staff, the expense of which could not be justified in view of the very doubtful advantages.

422 *Extension of period during which standing passengers are allowed.*

Bearing in mind the extent to which standing passengers obstruct the work of the conductor, the extension of the periods during which they are carried (already covering adequately the busiest times) cannot be recommended; it has been hoped to introduce greater flexibility in the application of the standing rules, but it has not so far been possible to secure the agreement of the Transport and General Workers' Union. On the Country services, standing passengers are carried outside the permitted hours where the frequency is 30 minutes or less or where hardship would otherwise be caused.

424 *Where non-payment of fares is due to the inability of conductors to collect them in the time available, remedial measures should be taken even if they cost more than the extra fares collected.*

The problem of fare collection is largely one of instilling in the conductors the right attitude towards the job, so that they will be prepared to make the extra effort at the busiest times, and generally be on the watch for passengers over-riding, avoiding payment of their fares and other irregularities. With the labour position that has existed for a number of years, it has been difficult to recruit conductors of the calibre desired, more particularly on Central Buses. On Country services, there are few cases where fares remain uncollected because of the inability of the conductor to do so in the time available.

425 *Possibility of pre-payment of bus fares, and posting of additional conductors at points where fare evasion is likely; also wider publicity to prosecution of offenders.*

A system of pre-payment of bus fares would be costly administratively and would be difficult to control. Additional conductors at selected points could not be justified, bearing in mind the cost, the relatively short periods for which they would be required and the limited benefit that would be achieved; with the present staff shortage, the proposal would in any case be almost impossible to implement.

Publicity with a view to the prohibition of fraudulent travel has been very carefully considered and from time to time appropriate notices (latterly including details of penalties) are posted in our vehicles and, in the case of the railways, also posted at the stations. It is not considered good policy to have continuous publicity on this matter; the majority of the passengers are honest, and too many warnings tend to lose their impact. Also, since it is very difficult to obtain sufficient evidence to secure a conviction in cases of fraud on our road services, as distinct from the railways, to publicise the actual number of convictions in these cases might be misleading and in fact tend to encourage rather than deter the dishonest.

431 *Extension of profitable excursion, tour and private hire operations.*

The extent of the Board's private hire activity is very much restricted by the present shortage of staff. London Transport have tried to expand their private hire business at times when staff are available, by offering to make arrangements not only for transport, but to include refreshments, river trips, admission to places of interest, etc. In this way it has been possible to obtain business that would not otherwise have been secured.

The demand for excursions and tours has fallen consistently in the face of growing competition from private motoring. With this trend continuing there seems little scope for further increasing the Board's activities in this field on a profitable basis.

- 432 *Closer co-ordination with other operators in the use of available resources where peak traffic periods in different undertakings occur at different times of day.*

The peak travel periods are tending to become shorter and more intense, and they affect all providers of regular public transport services at more or less the same time. There is thus not much scope for co-ordination of the kind that the Committee appeared to have in mind, although a few cases of further joint working with other operators on the fringe of the Country area are contemplated.

- 433 *Re-examination with the trade unions of agreements which restrict the flexibility of scheduling of road services and militate against efficient operation; such re-examination to include questions of full wages paid for unworked time in off-peak periods.*

There have been various revisions of agreements on wages and conditions of service by negotiation with the Transport and General Workers' Union since 1955, but in view of the national trend towards the improvement of earnings and working conditions, from which bus workers expect to benefit it has not been practicable to secure changes in the direction sought by the Committee.

- 434 *Introduction of one-man operated buses on certain Country services.*

One-man buses have already been introduced on Country services to the extent that there are now only three single-deck routes which remain crew-operated, and two of these are under consideration for conversion. Plans also provide for the conversion of double-deck crew-operated Country routes to single-deck one-man operation where the reduction in capacity is tolerable. Consideration has also been given to conversion to one-man operation on the fringe of the Central Bus area, but it has not yet been possible to reach agreement with the Transport and General Workers' Union.

- 454 *Provision of better off-the-road parking facilities for buses at important points on the edge of the Central Area, so as to improve bus loadings and reduce congestion.*

With the co-operation of the Highways Authorities, the Police and the Traffic Commissioners, bus loading bays have been provided at many points as part of a general plan for road improvement or to ease the traffic flow where there is serious congestion.

- 455 *General improvement in facilities for interchange between buses and*
476 *trains, particularly British Railway trains, in Central London.*

Steps to improve interchange facilities continue. As regards interchange between Underground lines, an example of the improvements effected is provided by the recent reconstruction of Notting Hill Gate station, where the provision of a direct connection between what were previously separate stations has increased the interchange movements from 2½ million to over 6 million per annum. Improvements in Underground-British Railways interchange also continue to be made; at Barking, for example, cross-platform interchange—similar to that at Stratford—has now been provided between District Line and Eastern Region Southend Line trains.

The interchange at London Bridge will be improved by the reconstruction of the Underground station there with escalators instead of lifts, and the projected resiting of Tower Hill station will materially reduce the interchange distance to Fenchurch Street station. The new Victoria Line, too, will provide interchange with other Underground lines and/or British Railways at eleven of its twelve stations; in four important cases the interchange will be by easy cross-platform transfer of the kind previously so successfully provided at such stations as Mile End, Hammersmith and Finchley Road. Increasing attention is also being given to the improvement of interchange facilities between buses and Main Line train services at a number of points, including railway termini as well as smaller suburban stations. This question is being pursued through machinery set up for more co-ordination between London Transport and British Railways (vide paragraph 477 below).

- 456 *Endeavours to be made to overcome the problem of the "crawling bus", insofar as it arises from deliberate action by the bus crews and not from traffic congestion.*

This problem occurs principally on Central Buses. It arises partly from the difficulty of establishing realistic running times (vide paragraph 419 above); partly through variations in traffic conditions from day to day; and to a lesser extent as a result of drivers not always regulating their speeds as well as they could. So far as this last cause is concerned, London Transport try to impress on all drivers the need to maintain uniformity of speed as far as possible, and this is a point to which the supervisory staff give constant attention.

- 458 *Consideration to be given to the possibility of devising a workable scheme of bonus payments to bus crews based upon fares collected.*

Following lengthy negotiations, a carefully conceived and comprehensive bonus scheme was offered to the bus staff in 1960, but it proved impossible to reach agreement on it.

- 461 *In order to attract and retain the right men and women in its service, London Transport should, in fixing remuneration, take into account the remuneration for staff at all levels in comparable employment in industry.*

This is taken into account in all wage negotiations, but the position is also affected by the conditions of bus and railway operation (e.g., shift work) which do not apply generally in industry, and by London Transport's statutory obligation to pay its way, which may make it difficult to recoup the additional expenditure through fares increases.

- 465 *London Transport should devote more attention to explaining its general problems to the public, in order to forestall misguided criticism.*

Efforts have continued, and indeed intensified, to explain London Transport's problems to the travelling public through direct publicity, the press, radio and other means.

The purpose and progress of new works schemes are publicised widely by posters, news sheets, leaflets and meetings with local residents and representatives of the interests affected, examples are the Metropolitan Line Improvements Scheme and the current Victoria Line project. A comprehensive system of signs, notices, timetables and maps is provided to guide passengers in the use of London Transport's services. New equipment has been installed

to advise passengers of delays on the Underground. Since 1955, several more London Transport Enquiry Offices have been opened. Films and books on the working of London Transport are available and have reached a considerable number of the travelling public. Informal gatherings are arranged with Members of Parliament and press representatives, etc., to explain the Board's policies and intentions. Full explanatory answers are given to questions and criticisms raised by the public in the press or by correspondence.

- 472 *The decentralisation of some of the headquarters work of the road operating departments to divisions and districts should be considered.*

On Central Buses, the recent setting up of a Central Division has resulted in certain functions which have hitherto been carried out at Head Office being decentralised, although there has been no alteration in the basic organisation so far as control of the various sections is concerned. There has been no major decentralisation of work to other Divisions or Districts, but some private hire work previously undertaken in the headquarters traffic office is now done at garages. It was recently considered whether some public letters could be dealt with at Divisional or District levels but it was felt that the volume of work that such a system would impose on the Division or District would be disproportionate to the advantage likely to ensue. The Districts are not equipped for administrative work and it is doubtful whether it would be the right policy to introduce methods which would involve District Superintendents or their senior staff spending more of their time in the garage offices, and less on the actual operation of the services.

On Country Buses and Coaches, a considerable measure of decentralisation was achieved by the transfer in 1956 of much of the day to day work from headquarters to the two operating divisions.

APPENDIX 5
WORKING RESULTS OF LONDON TRANSPORT ROAD SERVICES

			Receipts	Expenditure	Net Receipts
				£ million	
1953	...	...	50.8	50.2	0.6
1954	...	...	51.5	49.5	2.0
1955	...	...	53.8	50.8	3.0
1956	...	...	56.5	54.0	2.5
1957	...	...	60.0	56.2	3.8
1958	...	...	49.2	50.0	-0.8
1959	...	...	55.8	51.8	4.0
1960	...	...	57.6	52.2	5.4
1961	...	...	60.0	56.0	4.0
1962	...	...	62.0	56.9	5.0

Source: British Transport Commission Annual Report and Accounts 1962.
Expenditure includes depreciation at historic cost, and excludes interest.

APPENDIX 6
NUMBERS OF DRIVERS AND CONDUCTORS EMPLOYED ON
LONDON TRANSPORT CENTRAL AND COUNTRY BUSES AND
COACHES 1954 AND 1964

	Central Buses			Country Buses and Coaches		
	Drivers	Conductors	Total	Drivers	Conductors	Total
January, 1954	19,512	19,281	38,793	2,931	2,822	5,753
January, 1964	13,374	14,027	27,401	2,637	2,357	4,994

Source: London Transport Board.



MINISTRY OF LABOUR
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Report of the Committee of Inquiry
to Review the Pay and Conditions of
Employment of the Drivers and
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